



3rd Report

JOINT SELECT COMMITTEE ON

FINANCE AND LEGAL AFFAIRS

on an

**inquiry into the impact of COVID-19 on the Micro and
Small Enterprises Sector**

SECOND SESSION (2021/2022) OF THE 12TH PARLIAMENT

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The Joint Select Committee on Finance and Legal Affairs

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OF THE

**JOINT SELECT COMMITTEE ON
FINANCE AND LEGAL AFFAIRS**

ON

**AN INQUIRY INTO THE IMPACT OF COVID-19 ON
THE SME SECTOR**

Date Laid: HoR:

Senate:

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ACRONYMS AND ABBREVIATIONS

Abbreviation	Term
CEDA	Caribbean Export Development Agency
ECLAC	Economic Commission for Latin America and the Caribbean
ERG	Entrepreneurial Relief Grant
EXIMBANK	Export Import Bank of Trinidad and Tobago
ExporTT	National Export Facilitation Organisation of Trinidad and Tobago
Forex	Foreign Exchange
MoF	Ministry of Finance
MTI	Ministry of Trade and Industry
MYDNS	Ministry of Youth Development and National Service
MSE	Micro and small enterprises
NEDCO	National Entrepreneurship Development Company
SME Loan Guarantee Facility	Small and medium enterprise loan guarantee facility
SOE	State of Emergency
TTMA	Trinidad and Tobago Manufacturing Authority
UWI	University of the West Indies

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MEMBERS OF THE COMMITTEE



Mrs. Hazel Thompson-Ahye
Chairman



Mr. Laurence Hislop



Mr. Keith Scotland, MP



Ms. Jayanti Lutchmedial



Mr. Marvin Gonzales, MP
MP



Mr. Saddam Hosein, MP



Mr. Terrence Deyalsingh,



Mr. Hassel Bacchus

THE COMMITTEE

COMMITTEE MANDATE AND ESTABLISHMENT

1. Section 66A of the Constitution of the Republic of Trinidad and Tobago declares, that not later than three months after the first meeting of the House of Representatives, the Parliament shall appoint Joint Select Committees to inquire into and report to both Houses in respect of Government Ministries, Municipal Corporations, Statutory Authorities, State Enterprises and Service Commissions, in relation to their administration, the manner of exercise of their powers, their methods of functioning and any criteria adopted by them in the exercise of their powers and functions.
2. Pursuant to the foregoing provision, motions approved in the House of Representatives and Senate on November 20, 2020 and November 17, 2020, respectively, the **Joint Select Committee on Finance and Legal Affairs** was established.
3. Standing Order 91 of the Senate and 101 of the House of Representatives outline the general functions of a Committee of this nature. They are as follows:
 - a. to examine Bills and review all legislation relating to the relevant Ministries, Departments or Bodies or as may be referred to it by the House;
 - b. to investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration and operations of the assigned Ministries, Departments or Bodies;
 - c. to study the programme and policy objectives of Ministries, departments or bodies and the effectiveness of the implementation;
 - d. to assess and monitor the performance of Ministries, Departments and Bodies and the manner of the exercise of their powers;
 - e. to investigate and inquire into all matters relating to the assigned Ministries, Departments and Bodies as they may deem necessary, or as may be referred to them by the House or a Minister; and
 - f. to make reports and recommendations to the House as often as possible, including recommendations of proposed legislation.

SPECIFIC AREAS OF RESPONSIBILITY

4. The Joint Select Committee on Finance and Legal Affairs is mandated to inquire into areas related to Finance, Planning, Trade, Tobago Affairs, Office of the Prime Minister, Attorney General, Justice and Legal Affairs as listed in Appendix IV and V of the Standing Orders of the House of Representatives and Senate respectively.

POWERS OF THE COMMITTEE

5. Standing Orders 101 of the Senate and 111 of the House of Representatives delineate the general powers of the Committee which include:
 - a. to send for persons, papers and records;
 - b. to sit notwithstanding any adjournment of the House;
 - c. to adjourn from place to place;
 - d. to report from time to time;
 - e. to appoint specialist advisers either to supply information which is not otherwise readily available, or to elucidate matters of complexity within the Committee's order of reference;
 - f. to communicate with any other Committee on matters of common interest; and;
 - g. to meet concurrently with any other Committee for the purpose of deliberating, taking evidence or considering draft reports.

MEMBERSHIP

6. The Committee comprises the following members:
 - i. Mrs. Hazel Thompson-Ahye - Chairman
 - ii. Mr. Clarence Rambharat - Vice-Chairman¹
 - iii. Mr. Keith Scotland, MP
 - iv. Mr. Marvin Gonzales, MP
 - v. Mr. Dinesh Rambally, MP
 - vi. Mr. Terrence Deyalsingh, MP
 - vii. Ms. Jayanti Lutchmedial
 - viii. Mr. Hassel Bacchus

¹ Mr. Rambharat was replaced by Mr. Laurence Hislop w.e.f. June 14, 2022

SECRETARIAT SUPPORT

7. The following officers were assigned to assist the Committee:
 - i. Mr. Julien Ogilvie - Secretary
 - ii. Mr. Brian Lucio - Assistant Secretary
 - iii. Ms. Terriann Baker - Research Assistant
 - iv. Ms. Ria Rampersad - Research Assistant

EXECUTIVE SUMMARY

At its 6th Meeting held on April 16, 2021, the Committee resolved to pursue an inquiry into the impact of COVID-19 on the Micro and Small Enterprise (hereafter MSE) Sector.

The inquiry process involved gathering and collating oral and written evidence from primary and secondary stakeholders as well as from the public. As far as possible, the Committee ensured that oral and written evidence received were relevant to the terms of reference to the inquiry. In this regard, the Committee received evidence from the following public and private stakeholders:

Table 1: List of Public and Private Stakeholders

Public Sector	Private Sector
i. The Ministry of Finance (MoF);	Tobago Division of the Trinidad and Tobago Chamber of Industry and Commerce
ii. The Ministry of Youth Development and National Service (MYDNS);	Trinidad and Tobago Coalition of Services Industries
iii. Ministry of Trade and Industry (MTI).	Arima Business Association
	San Juan Business Association
	Tobago Hotel and Tourism Association
	Sangre Grande Chamber of Commerce

JSCFLA survey into the impact of COVID-19 on MSEs

In order to obtain a realistic understanding of the effect of the COVID-19 pandemic on MSEs, it was important to solicit views directly from MSE owners/operators. The Committee therefore undertook primary research in the form of an online questionnaire. A total of 123² responses were received, a summary of which is available at **Appendix III**.

² The survey's response rate could be attributed partly to the Committee's limited reach through its social media pages and dependence on third parties, such as Chambers and business associations to raise awareness of the survey and its benefits

2. Based on the aforementioned evidence, the Committee was able to gain a holistic overview of the impact of COVID-19 on the MSE sector, inclusive of an understanding of the challenges faced and the role of public policy interventions in mitigating these concerns.

3. Some of the issues which the Committee took into account were as follows:
 - i. The anticipated negative economic effects due to reduced consumer spending and its subsequent impact on business income, cash flow and in some cases, business survival. The retail, hospitality and tourism, services and construction sectors being particularly affected;
 - ii. The unexpected influence of adverse psycho-social impact on businesses' outlook and morale;
 - iii. The scope of challenges faced by businesses in their attempts at recovery including: reduced and/or altered consumer demand, input cost increases, unreliability of shipping and supply chains, insufficient access to forex, limited access to credit financing, inability to meet overhead costs, uncertainty over the evolution of the pandemic and its effect on business operations, difficulty in pivoting or demonstrating resilience in adapting to the new COVID-19 business operations guidelines and challenges with managing employee safety, illness and absence;
 - iv. The fact that business had not returned to pre-pandemic levels even with the removal of the majority of COVID-19 pandemic measures;
 - v. The challenges faced by businesses in their attempts to innovate due to a lack of technical knowledge and competitive advantage;
 - vi. The support that was envisioned to be provided by the Entrepreneurial Relief Grant (ERG) to businesses providing proof of loss as a result of COVID-19 but the possible incongruity to meet the needs of stakeholders due to the lengthy processing time and difficulty in obtaining feedback from the Ministry/agency administering the grant;

- vii. Concerns over the qualification criteria as well as monitoring and evaluation of the ERG;
- viii. The challenges faced by micro and small businesses to meet the qualification and administrative criteria to access the SME Loan Guarantee Facility;
- ix. The relaxation of requirements in Phase II of the SME Loan Guarantee Facility to facilitate applications;
- x. The sentiments by stakeholders that the grants being offered were insufficient to suit their needs and/or exclusionary in some regard;
- xi. the factors that contributed to the low uptake of loans facilities available via credit unions (in conjunction with the state);
- xii. The suite of programmes provided by the Ministry of Trade and Industry through its executing agency, ExporTT for businesses with export potential but the inability of most MSEs from meeting these thresholds due to their limited capacity;

SUMMARY OF RECOMMENDATIONS

The following are key recommendations proffered by the Committee:

INTRODUCTION

BACKGROUND

- i. The COVID-19 pandemic reversed in a matter of one year, previous gains in the financial standing of Micro and Small Enterprises (MSEs) when governments were moved to impose lockdown measures to limit the spread of diseaseⁱ. Statistics obtained from the Ministry of Finance³ indicated that MSEs accounted for 60% of all registered businesses in Trinidad and Tobago and approximately 13% of GDP in 2019. Notwithstanding recent attempts to adapt to the evolving status quo, the future outlook for the global economy remained uncertainⁱⁱ.

- ii. The immediate response to the pandemic was characterised by layoffs and workplace closures, which curtailed consumer spending and disrupted production and shipping, creating vulnerabilities in global supply chainsⁱⁱⁱ. Following the removal of these initial lockdown measures, major manufacturing hubs, due to pandemic induced limitations in fuel and product component supplies, were unable to keep pace with increasing consumer demand^{iv}. The impact has been keenly manifest in the shipping and freight sectors with domino effects for both imports and consumer price levels^v.

The impact of COVID-19 on Micro and Small Businesses

- iii. Small businesses were acutely affected, as they represented the majority of the sectors and primarily services, (retail, food, hospitality, entertainment and construction^{vi}) that were directly impacted by the COVID-19 pandemic restrictions and consequential secondary impacts.

- iv. In terms of understanding the nature of the phenomenon, research at the global level showed that reduction in revenue as a result of decreased sales was the single largest

³ 2018 statistical data. Ministry of Finance submission. November 18, 2021

factor affecting small businesses as a result of the COVID-19 pandemic. Cash flow challenges in turn had a negative impact on the limited savings available to small business owners with the result that many such businesses, specifically those that were new, run by women, minorities or otherwise unable to switch to digital channels, were more likely to face closure^{vii}. Government support was thus crucial to keeping small businesses afloat^{viii}. The situation was no different for that of Trinidad and Tobago.

Post COVID-19: factors inhibiting business continuity

- v. The consequence of lockdown measures continues to affect businesses in three main ways, reduced consumer demand, supply chain disruptions, as well as firms' ability to effectively respond to these circumstances^{ix}.
- vi. A firm's resilience will in effect, determine its ability to withstand and **re-position or pivot** in order to modify their operations to the incidental effects of the COVID-19 pandemic. Resilience is contingent not only on the firm's creativity and ability to innovate but is also influenced by the overall strength of the eco-system in which they operate, wherein the role of policy becomes increasingly paramount^x.
- vii. Firms therefore either responded in a resilient manner by using the pandemic crisis to innovate by taking into account the needs of customers, moving to online sales channels or identifying new suppliers. By contrast, firms adopting a **retreat strategy** resorted to employee layoffs, the undertaking of new debts and asset divestments^{xi}.
- viii. The challenge for MSEs is that implementing resilience measures can often be costly and can place heavy demands on a firm's already limited resources^{xii}. The support provided by the ecosystem is therefore instrumental in bolstering chances of recovery. The Economic Commission of Latin America^{xiii} categorised the series of support measures implemented by Governments across the regions in response to the pandemic these include:

- **Liquidity**- maintenance of short-term payment flow through postponement of payments and re-negotiations;
- **Credit**- increase in the availability of resources for credit funds for guarantees, flexible access conditions;
- **Transfer of funds**- grants or cancellation of obligations (includes measures for formal self-employed workers);
- **Avoidance of layoffs**: subsidies for wages and employer contributions, suspension of wages and reduction of working hours, labour flexibility (does not include measures to promote and regulate teleworking);
- **Support for domestic production** of essential goods and services in the emergency (includes public procurement measures); and
- **Support for export activity**.

Post COVID-19: State policies and programmes to support MSEs' economic recovery

ix. The specific policies to assist MSEs with their economic recovery from the COVID-19 pandemic are outlined under Objective 3.

OBJECTIVES

- x. In view of the above, the Committee agreed that its inquiry will be guided by the following objectives:
1. To evaluate the economic impact of the COVID-19 pandemic on micro and small enterprises;
 2. To identify the factors and conditions which may inhibit business continuity for micro and small enterprises post COVID-19;
 3. To assess the existing policies, projects and programmes of the State, designed to support the economic recovery of micro and small enterprises during and after the COVID-19 pandemic.

CONDUCT OF THE INQUIRY

- xi. At its Meeting held on November 19, 2021, the Committee convened its *first Public Hearing* with the following entities:
- The Ministry of Finance;
 - The Ministry of Youth Development and National Service; and
 - Ministry of Trade and Industry.
- xii. At its Meeting held on January 21, 2022, the Committee convened its *second Public Hearing* with the following entities:
- Tobago Division of the Trinidad and Tobago Chamber of Industry and Commerce;
 - Trinidad and Tobago Coalition of Services Industries;
 - Arima Business Association;
 - San Juan Business Association;
 - Tobago Hotel and Tourism Association;
 - Sangre Grande Chamber of Commerce.

The Minutes of the Meetings during which the public hearings were held are attached as Appendix I and the Verbatim Notes as **Appendix II**.

SUMMARY OF EVIDENCE, FINDINGS AND RECOMMENDATIONS

OBJECTIVE 1: TO EVALUATE THE ECONOMIC IMPACT OF THE COVID-19 PANDEMIC ON MICRO AND SMALL ENTERPRISES;

Unsustainable operations and forced closures

1. The last survey of business establishments was conducted in 2018 and whilst statistical data is lacking, comparative reports triangulated from the **Ministry of Trade and Industry (MTI), Ministry of Finance (MoF) and Ministry of Youth Development and National Service (MYDNS)** have been used to understand the economic impact of COVID-19 on MSEs. The MoF observed that without quantitative evidence, it appears that a number of MSEs had ceased operations as a result of the pandemic and based on the drawdown of monetary deposits, had been utilising savings as an interim mitigation measure. The MYDNS affirmed these observations and noted that MSEs were unable to cover overhead costs, such as rent and wages, which forced many businesses into premature closure.

Global disruptions manifest locally

2. As previously mentioned, the driving force behind these closures were set in motion as a consequence of weak consumer demand, declines in manufacturing, supply chain disruptions and shipping delays, increases in the prices of raw material and limited access to foreign exchange. Data contributed by the MYDNS noted that some sectors were affected more acutely and these were the retail, construction, tourism and creative industries. This finding corroborates the results of the JSCFLA's survey respondent data which concluded that the hospitality and tourism, food and beverages and retail sectors were most impacted.

Psycho-social impacts

3. Notwithstanding the economic focus of this inquiry, the significance of the negative psycho-social impact of the pandemic on MSEs was also highlighted. The MYDNS noted that the likelihood of poor mental health and elevated stress levels among small business

owners and their families was also a likely consideration given the impact of the COVID-19 pandemic on businesses' profitability. These sentiments echoed the contributions of the small business community, who during the JSCFLA's second public hearing on January 21, 2022, underscored that the tangible impact of pandemic fatigue continued to have a limiting effect on business operations.

4.

JSCFLA Survey of MSEs- reported impacts of the COVID-19 pandemic

Profile of businesses

5. Sixty-nine percent (69%) of businesses surveyed categorised themselves as micro and thirty-one percent (31%) as small enterprises. **The top three represented were the hospitality and tourism (28%), food and beverage (10%) and engineering (9%) sectors.** Ninety-five percent (95%) were registered with the Registrar General's Department and seventy-six percent (76%) with the National Insurance Board, which is notable since 64% reported having difficulty meeting their fiduciary requirements to these statutory bodies. Thirty-three (33%) of businesses identified themselves as being in existence for over twenty (20) and only 18% as being in existence for less than five years, which suggests that the effects of the pandemic appeared not to be limited to new businesses but to established entities as well.

Domino effects of reduced income

6. The predominant response of participants was that the pandemic had a negative impact on their businesses. Most experienced a reduction in sales with the number of businesses earning over TTD 1 million being halved and the number reporting less than TTD 250,000 doubling. Forty-five (45%) percent of the businesses categorised their losses as being over 75% whilst thirty-one (31%) percent reported losses in the range of 50%-75%. Illustrating the effect of the pandemic in real numbers, data gleaned from the JSCFLA's second public hearing revealed the following estimated numbers as indicators of loss of brick and mortar business establishments.

Response of MSEs

7. Businesses reacted primarily by using their personal income or emergency savings, family loans, credit cards and reducing/ adjusting overhead costs. A table highlighting the frequency of impacts experienced by respondents are outlined in Table 2.

Table 2: JSCFLA survey respondents experience of the impact of COVID-19 on their businesses

Category	Number of respondents (N= 123)
Loss of staff	58
Unable to pay rent	43
Unable to make loan payments	49
Reduction in sales/customers	103
Forced to close business	33
Supply chain challenges	55
Reduction in business hours/days	71
Downscaled operations	81
Affected personal income	97
Increased businesses' debt	66
Reduction/ downscaled inventory	52
All of the above	12
No impact	2

8. Adjusting overheads also entailed staff cutting exercises and 55% of businesses indicated that this was undertaken whilst 61% furloughed employees. However, these measures did not appear to be sufficient as 68% felt that they were unable to fully recover and 63% were uncertain about the timeframe for recovery. This finding is in line with research that a business can still fail even after implementing cost-cutting measures due to a lack of growth opportunities (Burnard and Bhamra cited in Thomas

et al, 2015, pg. 3935). An individualized illustration of how MSEs were affected is detailed in Textbox 1.

Textbox 1: Stakeholder account of the impact of the COVID-19 pandemic

“All my personal savings has disappeared due to no income and still had to pay bank loans...I choose not to take any assistance from the bank as I would have ended up paying them more money. Their assistance was based on making a profit from SMEs like us...”
Stakeholder submission October 05, 2021

FINDINGS

8. **Based on the foregoing evidence, the Committee has made the following findings:**
- i. The agencies involved in small business development, NEDCO and ExporTT appeared to lack a systematic method of data collection to estimate the number and categories of businesses within their purview. The impact of this limitation on the relevance of public policy planning was not determined;
 - ii. The MSEs most affected by the COVID-19 pandemic were those in the services sector: retail, food and beverages, hospitality and tourism, creative arts and construction industries;
 - iii. The psycho-social impact of the pandemic on the resilience of small businesses has emerged as a research gap that requires further examination;
 - iv. The impact of the COVID-19 pandemic appeared to have affected businesses regardless of the number of years in existence and their ability to meet their statutory expenses. Most businesses experienced some type of financial loss and of the 123 participants that responded to the JSCFLA’s survey, only 3% reported no loss of income;

- v. The majority of small businesses also appears to have cut or furloughed staff and the exact impact of these measures on the state of employment is unknown given that labour statistics for the fourth quarter of 2020 and all of 2021 have been delayed;

RECOMMENDATIONS

- 9. Based on the foregoing, the Committee submits the following recommendations:
 - A. **Data has the potential to transform the design and delivery of public policies and services^{xiv}. With a view to enhancing the utility and relevance of the services provided by both NEDCO and ExporTT, it is imperative that these agencies develop individual client databases inclusive of an administrative profile featuring each company's address, employee, and statutory details, sub-categorised by business size, industry, and the nature of exports, where applicable. The Ministerial Response of the respective Ministries should advise on the general plans and strategies for accomplishing this particular endeavour.**
 - B. **The NEDCO and ExporTT should consider implementing a survival guide to businesses facing acute profitability challenges in the post-pandemic era. This aspect of business development should provide assistance to companies with resilience building techniques, including but not limited to, ensuring organisational fitness and responding to changes in consumer needs^{xv}.**
 - C. **As part of its research and development initiatives, NEDCO should consider doing an in-depth analysis of the following aspects of post-pandemic business continuity:**
 - i. **The resilience approaches of businesses that successfully pivoted and survived the pandemic and the utilisation of this information to tailor the**

advice that is provided to stakeholders with respect to post-pandemic recovery;

- ii. Statistics on job losses within the MSE sector and the potential impact on both present and future employability.**

OBJECTIVE 2: TO IDENTIFY THE FACTORS AND CONDITIONS WHICH INHIBIT BUSINESS CONTINUITY FOR MSEs POST-COVID-19

Capacity limitations of MSEs- general concerns

Weak administrative structure

10. Contributions from the *MoF* and *MTI* pinpointed that MSEs are typically stymied by the lack of a formalised administrative structure which generally curtails their ability to plan proactively for periods of economic stress. MSEs usually do not have business continuity plans and experience difficulty in adapting to changed circumstances, such as the COVID-19 pandemic.

Financial Capacity Constraints

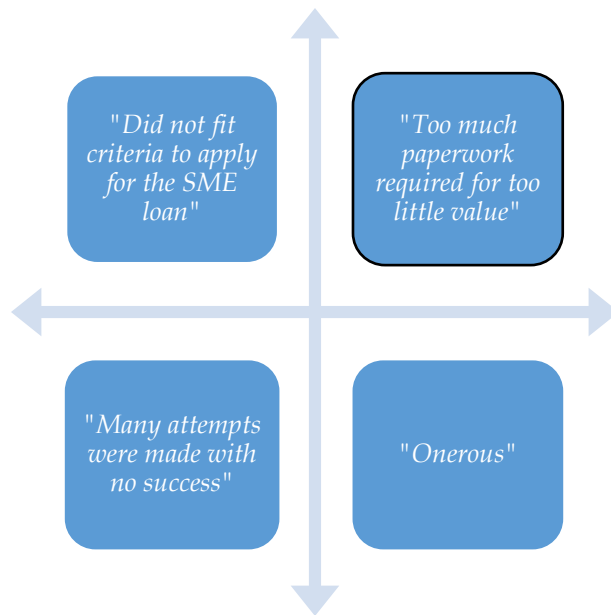
11. The *MoF*, *MTI* and *MYDNS* noted that many MSEs typically had limited cash reserves and due to such thin financial buffers, could not withstand periods of economic stress. This, in part, fuelled their inability to provide collateral or meet security requirements in order to access credit financing. According to the *MoF*, current lending practices most often do not favour small businesses which not only limits their potential to borrow from lending institutions and/or seek access to government grant funding, but also constrains their ability to invest in growth opportunities.

Capacity limitations of MSEs- inability to access government grants

12. The *MOF* provided data on the uptake of the SME Loan Guarantee Facility (see Objective 3), noting that of the 272 applicants who accessed the facility⁴, 230 or 46% were unsuccessful. This statistic supported the results of the *JSCFLA Survey of the impact of COVID-19* on MSEs that also found that **72% of the respondents did not access financial assistance or government grants.** Thirty-eight (38%) of survey respondents cited inability to qualify/lack of response to their applications as being the primary reason preventing their access. A key secondary reason cited for the low uptake was the high level of bureaucracy associated with the application process. An overview of stakeholders' opinions of seeking government support is outlined in Figure 2.

⁴ As at September 2021

Figure 1: Stakeholders experiences with accessing Government support



COVID-19 specific inhibitory factors

13. The MoF and MYDNS also referenced the COVID-19 restrictions that were preventing MSEs from recovery. External factors were largely the same variables that were highlighted under Objective 1, such as reduced sales, cash flow challenges and inability to access government support. The financial costs associated with the **implementation of sanitisation protocols** was also cited by stakeholders as being an additional burden to businesses' continuing survival. These appeared to be exacerbated by the imposition of the **State of Emergency (SOE)** and 9pm to 5am curfew in May 2021^{xvi}.

The State of Emergency (SOE)

14. Though small business stakeholders generally agreed with the principles behind the imposition of the SOE measures, some held the view that the period of instatement was unjustifiably long. Fifty-seven (57%) of respondents to the JSCFLA's survey indicated that the SOE had a negative impact on their businesses whilst feedback from stakeholders during the Committee's January 21, 2022 public hearing indicated that the impact of the SOE was felt in certain sectors (restaurants, tourism related and

luxury services) more so than others. A more nuanced understanding of MSE's experience is provided in Textbox 2.

Textbox 2: Stakeholder experience of the impact of the State of Emergency on their business

"Our business is tourism based. Nightly curfew: visitors will not book a destination where they cannot visit sites and attractions and also restaurants and to a limited degree bars and other entertainment events. The closure of restaurants/bars/entertainment has a grave impact on our industry. SOE-tourists do not visit countries with SOE and many restrictions. Also-since we have switched our tour business to a more local clientele re boat charters, it is impossible to do a charter with only 5 persons. We need the restriction for boat tours/charters raised to at least 10/15 persons- so we can survive until tourists return."

Stakeholder submission October 05, 2021

Realities of post pandemic business operations

15. Businesses expressed in unison that since the lifting of the pandemic imposed restrictions (inclusive of the SOE), sales were not comparable to that of pre-covid-19. This was influenced by some key inter-related factors which will now be discussed.

The Safe Zone Initiative

16. Notwithstanding the full support of the stakeholders engaged during the JSCFLA's second public hearing for the vaccination mandate, the operation of a **Safe Zone**⁵ was not only a costly endeavour but the rate of returns was essentially halved due to the reduced seating capacity. It was also observed that the requirements for vaccination to dine in was often a barrier to patronage as there were several families, due to some adults and children being un-vaccinated, were unable to enjoy dine in options. Some stakeholders also acknowledged the continued challenges encountered in verifying the vaccination status of patrons seeking to access Safe Zones in this regard.

Reduction in consumer spending

17. Several stakeholders also highlighted that due to the increase in job losses as a consequence of the pandemic and related factors, there was a general decline in the amount of disposable income available to consumers, who sought to prioritise spending on needs as opposed to luxury items. Consumers' purchasing power was also reduced

⁵ for use by fully vaccinated patrons and staff only

due to the increases in freight and shipping costs that characterised the post-pandemic period. Small businesses therefore were often wary of re-stocking owing to the sudden upticks in the cost of inventory and uncertainty over the timeframe for the sale of goods.

Uncertainty as a barrier to business continuity

18. At the JSCFLA's second public hearing on January 21, 2022, representative stakeholders communicated that one of the hurdles stymieing the progress of business continuity was the lack of clear policy direction in identifying the parameters for operation. The fear of a return to COVID-19 lockdown measures resulted in businesses adopting a short-term, measured approach with respect to their operations; these beliefs were also relevant to the definition and administration of pandemic leave.

The unique challenges faced by Tobago

19. Tobago is composed primarily of small businesses of which, the hospitality and tourism sector, has significant representation. Stakeholders disclosed that the tourism industry had been in decline even before the pandemic, a situation further exacerbated by the closure of the borders. Tourism stakeholders during the JSCFLA's second public hearing recognised the financial relief provided by the Government via the **Tourism Accommodation Relief Grant** but highlighted that this line of credit would be better utilised if offered as part of overall loan restructuring initiative. With respect to the opening of beaches, stakeholders likewise indicated that extended hours would be an advantage to the recovery of the industry.

Resilient approaches of MSEs

20. Of the sectors that were most likely to rebound following the removal of initial lockdown measures were the construction, retail (the largest proportion of small businesses) and services sectors. The MYDNS further made the distinction between fragile and agile business models, noting that businesses that were able to pivot or innovate demonstrated resilient approaches. Assuming such a transition was however, dependent on the level of technological knowledge of the business in

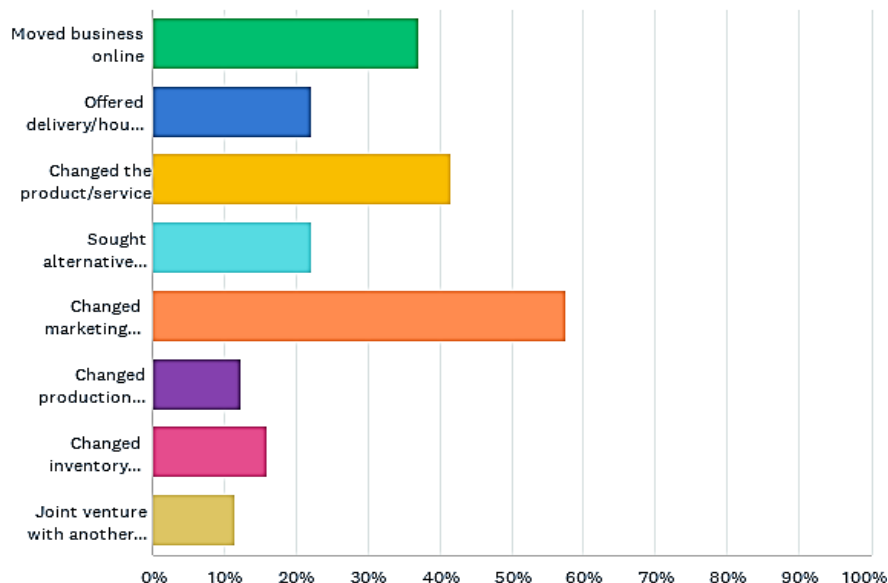
question (a barrier to older business owners) and the competitive advantage of the business to establish a profitable niche for their product/service. These strategies were responsible for helping businesses to withstand some of the adverse effects and included:

- Transitioning to online/ e-services;
- Seeking out alternative supply chains;
- Digital/social media marketing;
- Curbside pick-up and home delivery.

JSCFLA Survey of MSEs- evidence of resilient approaches

21. Innovation is at the core of resilience as “lower cost, responsive and flexible- products and processes are now essential for a company to capture new markets and to become more resilient in nature” (Pham, Pham and Thomas cited in Thomas et al, 2015, p. 3934). The primary means by which MSEs attempted to counter the effects of the COVID-19 pandemic are outlined in Figure 3.

Figure 2: MSEs resilient strategies to mitigate the effects of the COVID-19 pandemic



22. In response to the question “How did your business attempt to innovate in adjusting to the effects of the pandemic”, it became apparent that the majority had attempted various means of innovation. Sixty-five (65) respondents indicated that they

changed the marketing strategy, forty-seven (47) changed the product/service and forty-two (42) moved their businesses online. However, as noted afore, the sustainability of these approaches may not have been equally as beneficial for all, as lack of a competitive advantage challenged some businesses to distinguish themselves among rivals.

FINDINGS

23. Based on the forgoing evidence, the Committee has made the following findings:

- i. The informal administration of MSEs not only limited the capacity for growth but prevented proactive planning which in turn hindered the ability to access opportunities for investment and expansion;
- ii. Current financial lending practices do not favour small businesses who are challenged to provide evidence of administrative and financial records as well as collateral and security requirements;
- iii. The cost of implementing COVID-19 sanitisation protocols was an additional financial burden on MSEs already beleaguered by reduced income;
- iv. Notwithstanding the necessity of the State of Emergency, businesses' recovery was hindered by its imposition especially those MSEs in the restaurant, bar and entertainment sectors. Since the removal of SOE measures, patronage has not returned to pre-pandemic levels;

- v. Regulations for Safe Zone operations had a negative effect on the rate at which customers returned to in house dining for food and beverage as well as hospitality services since full vaccination was required for entry;
- vi. Whilst businesses expressed a need for clearer policy directives on COVID-19 decision making and policies, it was noted that the dynamism and fluidity of the situation made it difficult for Government to adopt a prescriptive approach even in relation to issues like quarantine and pandemic leave protocols;
- vii. Stakeholders within the Hospitality and Tourism sector expressed a need for overall debt management and re-financing measures that would be better achieved through loan restructuring as opposed to credit support as a standalone option;
- viii. The ability of small businesses in the services sector to respond to the challenges of weak consumer demand and reduced income stemmed in part from their lack of a competitive advantage and ability to provide a unique product or service amidst increasing competition from others employing similar mechanisms to stay financially afloat;
- ix. Though many businesses attempted to revive their operations via online marketing and sales channels, many were faced with a saturated market that hindered longevity. Issues with making the transition and navigating the technology (specifically for older business owners) were also hurdles to the success of this resilience measure;
- x. Due to the high cost of investment to gain entry into international markets, the observation was made that many MSEs typically focused on meeting local

demand, but in so doing limited growth opportunities both in terms of income and market expansion;

- xi. Small businesses were generally challenged to achieve export potential because of deficiencies in product or package standardisation, financing or lack of a competitive advantage.

RECOMMENDATIONS

24. The Committee recommends that:

- A. The NEDCO as a primary intermediary between stakeholders and the Government should strongly consider a communicative approach to encourage formal business registration among micro and small enterprises. This initiative should emphasise the positives of formal business registration including: improved access to financing and business development services, opportunities within the formal economy, reduced risk of penalties and unfair competition by informal firms^{xvii}. The Ministerial Response of the MYDNS and MTI should provide an update on this undertaking.**

- B. The Ministry of Finance may consider working in tandem with the Ministry of the Attorney General and Legal Affairs to implement a simplified process of business registration that is incentivised by a reduced tax rate or other form of financial savings measure^{xviii}.**

- C. As NEDCO continues to develop its Business Development Services, the company should collaborate with operators in the FinTech industry with a view to exploring options for increasing accessibility to financing for businesses outside of the formal banking sector These should focus on improving MSEs access to microcredit and microfinance options, inclusive**

of fintech applications such as crowdfunding and venture capital initiatives^{xix}.

E. The Committee recommends that the NEDCO and ExporTT can collaboratively seek to implement as part of its training and advisory services for MSEs the following initiatives:

- Social media marketing;
- Website development;
- Introductory courses in online sales and marketing; and
- Introductory courses on export sales, benefits, markets and opportunities.

OBJECTIVE 3: TO ASSESS THE EXISTING POLICIES, PROJECTS AND PROGRAMMES OF THE STATE, DESIGNED TO SUPPORT THE ECONOMIC RECOVERY OF MICRO AND SMALL ENTERPRISES DURING AND AFTER THE COVID-19 PANDEMIC

Government support measures

United Nations/Economic Commission of Latin America and the Caribbean (ECLAC) overview of regional support measures^{xx}

25. The United Nations/ECLAC identified four general areas of support that governments in the Latin American region have chosen to adopt in order to mitigate the impact of the COVID-19 pandemic. A summary of these programmes which are directly related to MSEs are itemised as follows:

- a. Liquidity support- To maintaining liquidity in the short term inclusive of the postponement of taxes and payments;
- b. Production support- Fostering the production of goods and services, supporting entrepreneurship and simplifying processes and procedures;
- c. Financing- Facilitating access to credit through adjusting loan amounts and creating special lines of credit.

Trinidad and Tobago Government COVID-19 specific support measures

26. Trinidad and Tobago likewise responded with specific support measures, the categorisation of these in line with the sub-headings defined by the UN/ECLAC in Table 3.

Table 3: Trinidad and Tobago Government COVID-19 support measures for MSEs

Liquidity (MYDNS/NEDCO)	Support for Domestic Production (MTI/ExporTT)	Credit (MoF)	Support for Export Activity (MTI/ExporTT)
<ul style="list-style-type: none"> ▪ Entrepreneurial Relief Grant 	<ul style="list-style-type: none"> ▪ Import Substitution Model 	<ul style="list-style-type: none"> ▪ SME Loan Guarantee ▪ Credit Union Emergency Income Loan Facility ▪ Credit Union Business Liquidity Support Programme 	<ul style="list-style-type: none"> ▪ Export Booster Initiative ▪ Capacity Building ▪ Institutional Strengthening

NEDCO- Entrepreneurial Relief Grant

27. The Entrepreneurial Relief Grant (ERG) was approved on June 18, 2020 to provide social support to assist MSEs earning less than TTD 1 million. As such, there was no requirement to provide evidence of how the funds were utilised, however, beneficiaries could not be in receipt of any other type of government assistance, inclusive of food cards or grant support.

28. NEDCO was chosen as the organisation administering the disbursement which began in July 2020. A total allocation of TTD 30 million was made available of which TTD 28, 780,000 had been disbursed as at November 2021⁶. Total applications numbered 5,247 whilst the number actually qualifying was 3, 297 as at November 18, 2021. The qualifying criteria are outlined in **Appendix V**.

NEDCO- Communicative outreach

29. NEDCO underscored the level of engagement undertaken in the administration of the ERG and highlighted the efforts made not only to liaise with other Ministries to minimise duplication in the administration of the ERG, but to connect with potential clients as well. A hotline was established to facilitate consumer queries in combination with appointments facilitated via walk-ins and online platforms, Zoom and MS Teams.

30. A series of training initiatives were conducted to enhance the capacity of MSEs. Services offered were based on feedback obtained from a May 2021 survey to understand the training needs of small businesses. Notwithstanding the shortfall in the majority of technical staff within the Enterprise Development Division, NEDCO reported that it engaged the following:

- 401 individuals in training sessions;
- 143 individuals in business advisory services; and
- 1916 individuals in webinars.

⁶ Information provided at the JSCFLA's first public hearing dated November 19, 2021

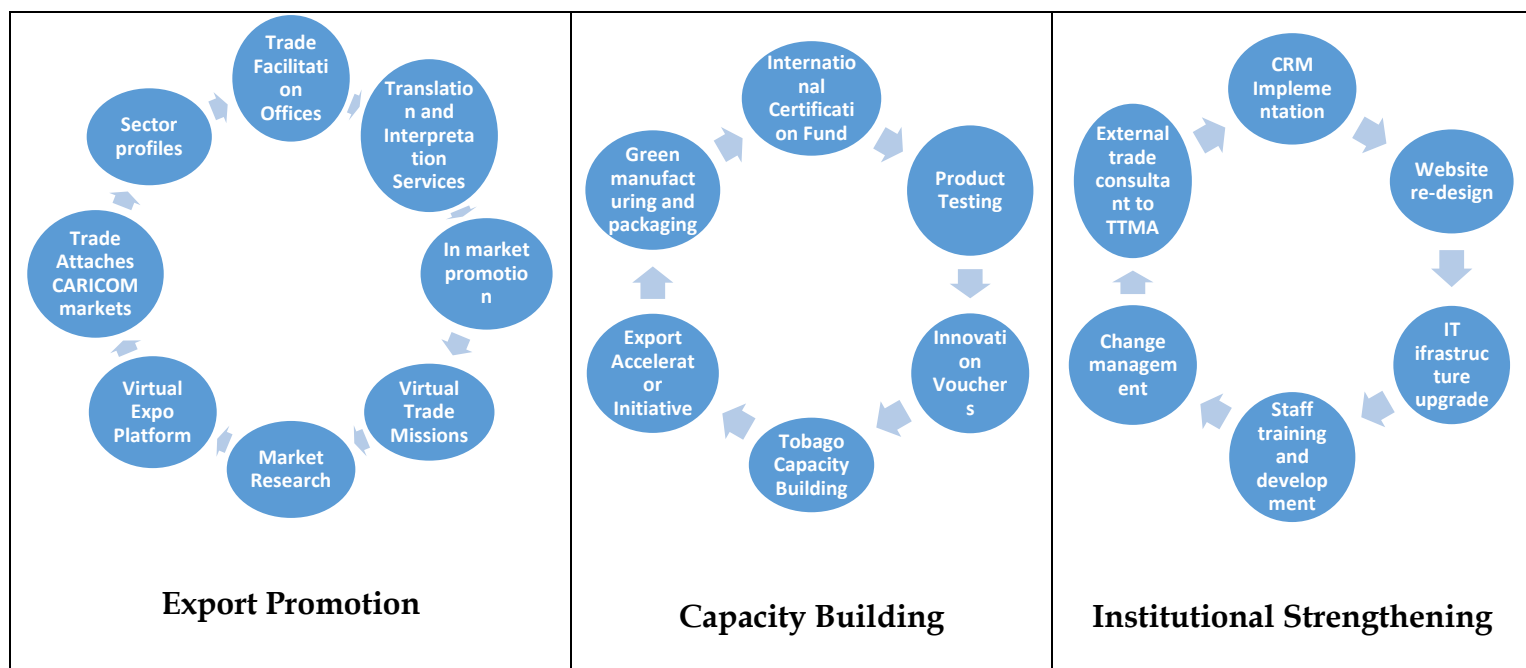
NEDCO- Promoting community centric business development

31. The NEDCO re-iterated its plans to expand its “*continuum of care*” to connect with potential clients and promote business registration at the community level. This was the stated intent of the organisation for the 2022 period, driven in part by a new approach to financing initiatives that would consider the unique challenges faced by small businesses. In this regard, NEDCO highlighted their commitment to serving a wide range of customers through free/economical offers such as advice, assistance with business maintenance and management as well as premium services such as mentorship.

MTI's three-pronged approach

32. The MTI had crafted a three-pronged approach to nurturing the development of MSEs, the Ministry saw its role as being directed toward improving market access to attenuate the negative impact of the COVID-19 pandemic on MSEs performance. The key objective of these initiatives was to increase the capacity of local manufacturers to produce competitive products for export. An overview of the projects is outlined in **Figure 4.**

Figure 3: MTI's three-pronged approach to MSE's recovery from COVID-19



Export Promotion

32. The *Export Booster Initiative* represented one of the key projects under the MTI's export promotion facility, a collaborative effort between the Ministry and the Trinidad and Tobago Manufacturer's Association (TTMA). This suite of sixteen (16) programmes was designed specifically to boost high-potential and high calibre MSE's capacity to achieve international standards for entry into export markets with the overarching goal of doubling the value of the country's manufactured goods by 2024.

33. One of the key projects under the EBI was the *International Certification Programme and Fund*, which sought to enable MSEs to achieve international quality standards for both export markets and locally, as a source of import substitution. Through the Fund, financial support of up to TTD 500,000 was available to support the acquisition of infrastructural modifications or specialised equipment. A detailed marketing and sensitisation strategy was also planned to promote the EBI, a brief overview of the core programmes are itemised as follows:

Export Booster Initiative

34. ExporTT estimated that 40-50% of merchandise exporters in their database were MSEs.

The agency expressed a desire to increase this figure noting that one of the goals of the Export Booster Initiative was to take an aggressive approach to elevate export levels within the first twelve months of the programme. The facets of the programme included:

- **Trade Facilitation Offices** to be established in key Central American States (Panama, Dominican Republic, Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama). These offices will identify export opportunities, provide market intelligence, assistance to navigate regulatory hurdles and promote local products;
- **Trade attaches** to be established in Guyana (with responsibility for Suriname) and Jamaica (with responsibility for Dominican Republic and Haiti) to assist MSEs with the identification of challenges and opportunities as well as the navigation of regulatory hurdles;
- **Market research** completed market surveys include British Virgin Islands, Dominican Republic, Canada and Curacao, assistance with preparing for Business to Business (B2B) meetings, information dissemination seminars, assistance with decision making on market entry and access to secondary research databases such as (Euromonitor and International Trade Centre);
- **Virtual Trade Missions** based on a joint effort in partnership with the TTMA and Chamber of Industry and Commerce targeted to export ready businesses, three have been conducted as at October 31, 2021 (Jamaica, Panama and Guyana with a total of 58 participants) and more planned see Appendix IV;
- **Virtual expo platform** to facilitate international exposure and communication between sellers and potential buyers as well as establishing a **Trade and Investment Promotion Agency** to strengthen and consolidate trade promotion;
- **Other initiatives** include **French and Spanish translation services** to facilitate business transactions, **in market promotional offers** for companies that can demonstrate initial sales and **sector profiles** which seeks to raise the profile of smaller companies more

specifically in diaspora markets as well as to generate awareness of the products manufactured locally.

Other export initiatives

35. ExporTT also had a number of other initiatives to enhance MSEs' potential to export. These include the following:

- **Gateway to Trade Programme-** Tailored to the services sector, this programme was focused on assisting companies engaged in the ICT, energy, business and professional services and MICE tourism sectors;
- **Research and Development Facility-** Grant funding to assist in the creation of new and innovative products to undertake research and development activities. Qualifying recipients may access up to TTD 1 million; details of its administration is provided in Appendix IV;
- **Co-Financing Facility-** Provided MSEs with a 50% reimbursement for a pre-approved investment, purchase, cost or expense incurred by the company in reaching export markets. The list of eligible activities are provided in Appendix IV;
- **Grant Fund Facility-** Permitted MSEs in eight designated sectors to access up to a maximum of TTD 250,000 to finance 50% of the cost of acquisition of new capital requirements/expenditure for the creation of high value/innovative products;
- **International Standards Implementation Programme-** Provided advice and funding for MSEs to achieve compliance with the requirements to access international markets, a total of 14 companies were earmarked for participation.

Capacity Building

36. To enable MSEs to overcome internal regulatory and management deficiencies and augment their productivity, several capacity-building endeavours were developed. Such initiatives included:

- The **Innovation Voucher Programme** aimed to build MSEs' capacity by offering new lines of credit to promote projects that drove research development and establish linkages between public and private sector knowledge providers;

- Avenues to assist MSEs with readying their products for international markets were advanced through the **Product Testing** and **Tobago Capacity Building Initiatives**, the **Green Manufacturing Initiative** aimed to assist MSEs' transition to the manufacture and use of environmentally friendly packaging whilst the **Export Accelerator Initiative** was idealised to fast track the entry of capable exporters to international markets.

MTI- Business Incubators

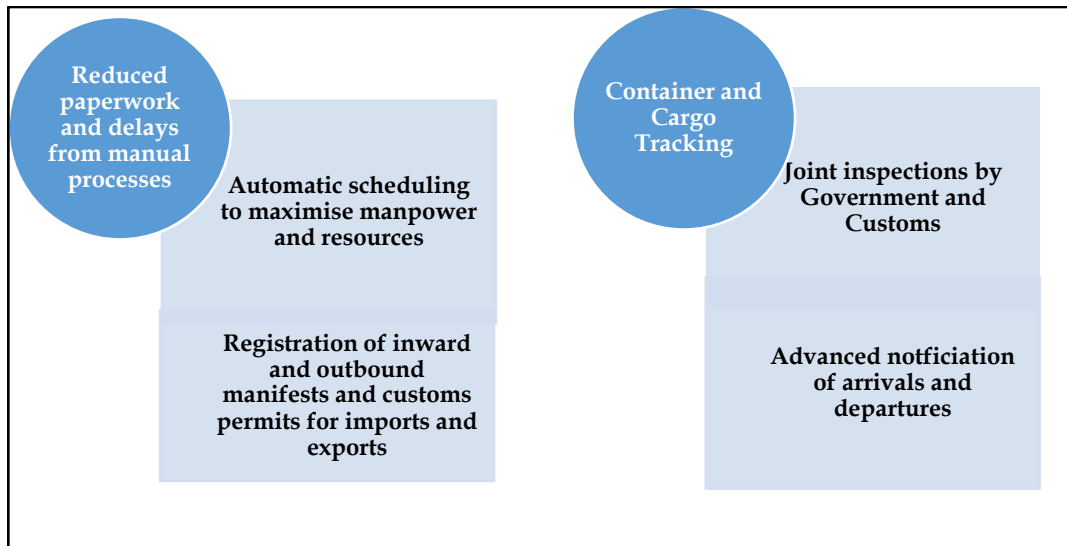
- **UWI Ventures-** A holding company of the University of the West Indies, the business incubator seeks to nurture the ideas and innovations of entrepreneurs through the provision of coaching, training, networking and mentorship;
- **UWI Innovation Incubator project-** The Government in collaboration with the UWI will provide support for entrepreneurship in various sectors;
- **SME Capacity Building Enhancements-** TTD 50 million was allocated in the 2022 budget to building MSEs administrative capacities in the areas of accounting, record keeping, training, management, inventory control amongst other areas;
- **Scale up Trinidad and Tobago-** A joint venture with the Unit Trust Cooperation of Trinidad to administer an internationally recognised business accelerator programme designed to enhance the entrepreneurial acumen of medium sized enterprises. Further details are provided in **Appendix IV**.

Port Community System (PCS)

37. The MTI acknowledged the pandemic induced disruptions to international shipping and logistics but concluded that Port operations within the local arena were largely unaffected. This was attributed to the Ministry's efforts to clear logjams and provide representation to members of the business community where applicable.
38. Nevertheless, processes to streamline systems at the Ports of entry were initiated prior to the COVID-19 pandemic and upon completion, would improve the efficiency and reliability of port operations. Data sharing will be improved by connecting in real time, information and decision making between the Customs and Excise Border Management System (ASYCUDA), the port terminal operating systems used at the air and seaports (NAVIS), the Single Electronic Window for

Trade and Business Facilitation (TTBizLink) and the Immigration Border Management System. The details are highlighted in **Figure 5**.

Figure 4: Proposed improvements through the implementation of the Port Community System



MTI- Import Substitution Model

39. In recognising the difficulty with accessing foreign exchange (forex) and the global increase in food prices, the Government was also in the process of developing an import substitution model to boost local production of certain products, which were exported in large quantities and which, local producers had the capacity to supply. The project would encompass three phases: 1) development of the list, investigation of the list and implementation.

Externally driven measures of support

40. The Direct Assistance Grant Support (DAGS) scheme is a source of re-imbursment grant funding designed to provide financial assistance to legally registered firms displaying export potential facilitated by the Caribbean Export Development Agency (CEDA). A total of fourteen firms from Trinidad and Tobago within the ICT, manufacturing, agro-processing, food and beverage, financial services, energy, culture and creative industries were awarded grants totaling Euro 540, 488, 31.00 over the 2018/2019 period. An adjustment to the application criteria ensured

that no Caribbean country would access more than 20% of available funding thereby increasing opportunities for local participants. ExporTT in collaboration with the TTMA were the official liaisons and source of information to local participants.

41. The Youth Accelerator Programme was also another training programme administered by the Caribbean Export Development Agency and the Inter-American Institute for Corporation.

Ministry of Finance- financial relief measures for MSEs

42. The Ministry of Finance (MoF) assumed a pivotal role in helping small businesses to withstand the adverse financial effects of the COVID-19 pandemic through four main financial relief measures. As noted previously under objective 2, small businesses face a number of hurdles in relation to accessing credit particularly through the traditional banking system. In response to this, and to shore up economic activity, the following programmes were initiated:

- SME Loan Guarantee Programme;
- Entrepreneurial Relief Grant;
- Credit Union Emergency Income Loan Facility,
- Credit Union Business Liquidity Support Programme.

SME Loan Guarantee Facility

43. Conceptualised in March 2020 to extend MSEs' access to credit financing this SME stimulus loan was underwritten in five-year fixed bonds by First Citizens Bank in the sum of TTD 268,875,000.00. Some of the advantages of this facility was the waiver of handling fees and responsibility for both the loan guarantee and repayment of interest fees by the Government. MSEs whose annual revenues were initially set between TTD 6-20 million with a minimum staff complement of five were eligible to apply via the four major commercial banks. The SME loan facility was available in two phases. Phase I was approved by Cabinet Minute 912 of May 27, 2020 and Phase II by Cabinet Minute 1448 of September 09, 2021. The

qualification criteria and comparisons of phases I and II are outlined in Appendix V.

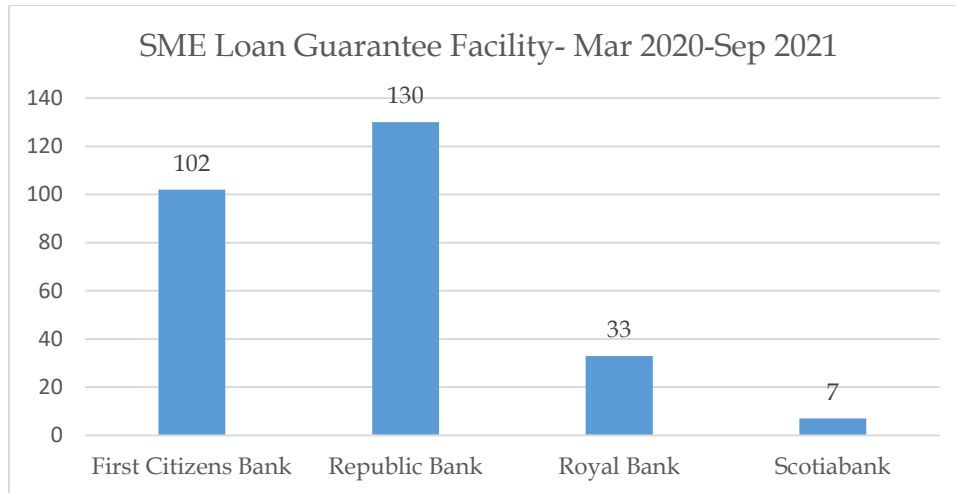
SME Loan Facility- Qualification and disbursement

44. The original requirements applied to Phase I of the SME Loan Guarantee (see Appendix V) was implemented based on data obtained from financial lending institutions on the financial and physical capacity thresholds of a typical small business. Individual banks also stipulated additional lending criteria, such as the ability of MSEs to meet debt service and credit worthiness ratios, as part of the lending agreement. The loan itself was disbursed in tranches with clients required to provide documentation accounting for the use of funds. The complexity of the loans application process was noted not only by potential applicants, but also by the Ministry of Finance, which following the low participatory uptake in Phase I, re-adjusted the qualification requirements in Phase II (see Appendix V).

Phase I of the SME Loan Guarantee Facility

45. A total of 502 MSEs submitted applications to access the facility of which 54% or 272 applicants were successful. The 230 or 46% of unsuccessful applicants did not meet the lending criteria as outlined. An overview of the administration of the SME Loan in Phase I of the programme is outlined in **Appendix VI** whilst a brief overview of successful applicants is provided in Figure 6.

Figure 5: Distribution of the SME Loan Guarantee Facility by bank



Phase II of the SME Loan Guarantee Facility

46. In Phase II, the annual revenues for MSEs' qualification was shifted downward, the repayment period extended from 5 to 7 years and payments to the Board of Inland Revenue (BIR) and National Insurance Board (NIB) relaxed (**Appendix V**).

Credit Union Facility Programme

47. Financial support accessible to the population at large was the main impetus behind the provision of two lines of income support made available through the Credit Unions. Credit Unions were extended TTD 100 million to provide emergency income loans to various sectors of their membership, details of the application criteria are outlined in Appendix V.

48. The facility was initially approved on April 23, 2020 and extended⁷ until December 31, 2021. The loans were disbursed under two different agreements, the ***Credit Union Emergency Income Loan Facility***, targeted to individuals and the small business-oriented ***Credit Union Business Liquidity Support Programme***. The latter of which was designed to enable the survival of new and existing non-financial cooperatives, encompassing an element of technical assistance to help them improve their managerial capacity.

⁷ June 02, 2021

Credit Union Loan Facility Programme qualification and disbursement

49. Credit Unions utilised their existing funds to advance loans and would reclaim the amount dispersed from the Ministry of Finance on a monthly basis. As at November 19, 2021, only 75 loans in the amount of TTD 544,817.16 were dispensed of which only TTD 126, 0000.00 or 11 remained to be reimbursed. Similar to the SME Loan Guarantee Facility however, participatory uptake was also disappointing for reasons that the Ministry of Finance seemed unable to explain during the aforementioned public hearing.

MSE stakeholder experiences with government grants

Main findings

50. The JSCFLA Survey report on the impact of COVID-19 on MSEs indicated that of the persons who responded to the survey, 72% did not access a government grant. Twenty-three (23%) did not apply whilst 40% did not qualify and/or received no response. A further 15% described the application process as 'bureaucratic' and 'onerous' and these sentiments can be linked to opinions raised during the public hearing which noted that businesses were unwilling to sacrifice income to undertake what they viewed as being a futile process.

51. Furthermore, 13% of the stakeholders surveyed via the Committee's survey cited a lack of clarity and/or faith in the application process. Similar sentiments were put forward during the Committee's second public hearing wherein it was stated that there was a general belief that persons truly in need of grants were often excluded because it took a specific level of expertise to be able to qualify for these grants, which was often out of reach for the majority of applicants.

Adequacy of support measures

52. Some stakeholders also expressed the view that the level of support being offered to small businesses was insufficient to meet their needs. Feedback obtained from stakeholders appearing at the Committee's second public hearing on January 21,

2022 and the JSCFLA's survey on the impact of COVID-19 on the MSE sector, indicated that financing was an immediate need. These stakeholders noted that grants, loan re-structuring and extension of new lines of credit was required alongside other enabling measures such as guaranteed access to foreign exchange for small businesses, improvements to port operations and a waiver of payments for statutory (National Insurance and Board of Inland Revenue) obligations.

Timeline for approval

53. The lengthy wait period to process the Entrepreneurial Relief Grant (ERG) and the difficulty in making contact with NEDCO to receive an update on the status of their applications was highlighted by stakeholders during the Committee's second Public Hearing.

Forex Facility

54. In fiscal 2021, the Government increased its allocation to the Eximbank bringing the overall disbursement to USD 650 million, disbursements were in line with either the Forex facility for manufacturers or the forex allocation system. Manufacturers and companies importing essential goods and net earners of foreign exchange were guaranteed access via these measures.

Ministry of Finance- Additional measures

55. The MoF had also identified a number of additional measures that would assist in the growth potential of small businesses. These are itemised as follows:

- Five - year tax holiday from Business and Green Fund Levy for introductory listings on the Trinidad and Tobago Stock Exchange (TTSE) and a tax rate of 50% for the second five years;
- SME mentorship programme as part of the TTSE, to support MSEs preparing to enlist;
- Five (5%) reduction in the tax rate to be reviewed three (3) years thereafter for MSEs whose core business relates to technology, digitisation or construction;
- Capital allowance for research and development up to 40% of expenditure;
- Five (5%) reduction in the tax rate and reviewed three (3) years thereafter beginning January 01, 2022 for significant exporters of local goods.

FINDINGS

60. **Based on the forgoing evidence, the Committee has made the following findings:**
- i. Whilst NEDCO emphasised their communicative client approach, stakeholders expressed opposing views citing their inability to establish contact with the organization, specifically in relation to the administration of the Entrepreneurial Relief Grant;
 - ii. The majority of the MTI's MSE targeted programmes focused on firms that could demonstrate some form of export sales, readiness, capacity, product modification or growing domestic sales. Only one programme appeared to be tailored to businesses with limited developmental capacity (Tobago Capacity Building), which precluded a significant number of MSEs from accessing any of these capacity building enhancement initiatives;
 - iii. Counter to reports provided by the Ministry of Trade and Industry that Port operations were not affected during the COVID-19 pandemic, MSE stakeholders expressed divergent opinions on the efficiency and effectiveness of the Ports throughout the COVID-19 pandemic period, noting that the process of import and export remained a challenge to business continuity;
 - iv. Several untapped opportunities for non-State- sponsored business development support existed but seemed to be irrelevant to many MSEs who were pre-occupied with business survival in the midst of challenges raised by COVID-19;
 - v. The Ministry of Finance acknowledged that the stringency of the qualification criteria was the major deterrent to MSEs uptake of Phase I of the SME Loan Guarantee Facility. From the viewpoint of some stakeholders however, not only were the criteria

exclusionary but the output relative to input was not materially beneficial for businesses' pursuit;

- vi. The Ministry of Finance appeared to have taken a permissive approach to their relationship with the Credit Unions in the administration of the Credit Union Loan Facility Programme, as they possessed little knowledge of the number and process for loan disbursement;
- vii. There appeared to be some degree of incongruity between the support offered by the Government and businesses' needs, which were primarily financing and loan restructuring. The rigorous stipulations applied to access credit support appeared to preclude those most in need, whilst favouring those with the acumen to navigate the application process. In the case of grant support options, such as the ERG, timeliness of the grant appeared to be the main drawback;
- viii. The lack of a systematic approach to provide a source of forex for small businesses may negatively impact on their development with future implications for business survival and economic growth by extension;
- ix. The Ministry of Finance had a number of enabling measures for listing on the Trinidad and Tobago Stock Exchange but this feat remained largely out of reach for most small businesses;
- x. The absence of documented protocols for monitoring the risks associated^{xxi} with Government-sponsored funding programmes and inadequacy of information on the evaluation of such programmes has implications for how the administering agencies are guided in their decision-making and response to the evolving nature of COVID-19^{xxii}.

RECOMMENDATIONS

61. The Committee recommends as follows:

- A. **The Ministerial Response of the MTI should provide a status update on the implementation of the Port Community System;**
- B. **With a view to raising awareness of existing opportunities among stakeholders, the NEDCO and ExporTT may consider a more customised communication strategy that prioritises customer engagement and facilitates the transmission of key messages from the top tiers of management^{xxiii}.**
- C. **The Ministerial Response of the Ministry of Finance must provide a status update on the following:**
 - **The total number of loans disbursed under the Credit Union Loan Facility as at June 2022;**
 - **The approach taken by Credit Unions to sensitise their membership about the existence of the facility; and**
 - **The role of the Ministry of Finance in the management of these loan portfolios, *vis a vis* the Credit Unions.**
- D. **The Committee recommends that the Ministry of Finance consider the implementation of a guaranteed percentage of forex to businesses that fall within the micro and small enterprise category, any un-used portion of which will be returned to the pool of funds accessible to large manufacturers and exporters.**
- E. **The Ministerial Response of the Ministry of Finance should provide a status update on the implementation of any monitoring and evaluation systems including impact assessments conducted on the credit support programmes**

administered through the Ministry, including the Entrepreneurial Relief Grant, SME Loan Guarantee Facility and Credit Union Loan Facility. The Response must provide details on the furtherance of this monitoring protocol, if applicable.

The Committee respectfully submits the foregoing for the consideration of the Parliament.

Mrs. Hazel Thompson-Ahye
Chairman

Mr. Marvin Gonzales, MP
Vice-Chairman

Ms. Jayanti Lutchmedial
Member

Mr. Keith Scotland, MP
Member

Mr. Saddam Hosein, MP
Member

Mr. Terrence Deyalsingh, MP
Member

Mr. Hassel Bacchus
Member

Mr. Laurence Hislop
Member

June 30th, 2022

APPENDICES

APPENDIX I

Minutes of Proceedings

**EXCERPT OF MINUTES OF THE SEVENTH MEETING
JOINT SELECT COMMITTEE ON FINANCE AND LEGAL AFFAIRS,
12TH PARLIAMENT
HELD ON FRIDAY NOVEMBER 19, 2021**

The Meeting was held virtually via Zoom

PRESENT

Mrs. Hazel Thompson-Ahye	Chairman
Mr. Clarence Rambharat	Vice-Chairman
Mr. Marvin Gonzales, MP	Member
Mr. Keith Scotland, MP	Member
Mr. Terrence Deyalsingh, MP	Member
Mr. Saddam Hosein, MP	Member
Ms. Jayanti Lutchmedial	Member
Mr. Hassel Bacchus	Member

Secretariat

Mr. Julien Ogilvie	Secretary
Mr. Brian Lucio	Assistant Secretary
Ms. Terriann Baker	Researcher
Ms. Ria Rampersad	Researcher

**PUBLIC HEARING PURSUANT TO AN INQUIRY INTO THE IMPACT OF COVID 19
ON THE MICRO AND SMALL ENTERPRISES SECTOR**

9.1 The meeting resumed in public at 10:15 a.m.

9.2 The following persons joined the meeting:

Ministry of Youth Development and National Service (MYDNS)

- | | |
|-----------------------|--|
| 1. Mr. Farook Hosein | Permanent Secretary (Ag.) |
| 2. Mr. Calvin Maurice | Chief Executive Officer, NEDCO |
| 3. Mr. Marlon Mills | District Coordinator, Enterprise Development
Division |

Ministry of Trade and Industry (MTI)

1. Mr. Dhanraj Harrypersad General Manager, ExporTT
2. Mr. Neville Alexander Senior Economist, MTI
3. Mr. Marlon Mills District Coordinator, Enterprise Development Division

Ministry of Finance (MoF)

1. Ms. Yvonne Neemacharan Deputy Permanent Secretary, Strategic Management Executive Office
2. Ms. Enid Zephyrine Director, Strategic Management Executive Office
3. Mr. Dexter Jaggernauth Programme Manager, Strategic Management Executive Office

Opening Statements

9.3 The following chief officials gave brief opening remarks:

- i. Mr. Farook Hosein Permanent Secretary, Ministry of Youth Development and National Service
- ii. Ms. Yvonne Neemacharan Deputy Permanent Secretary, Ministry of Finance
- iii. Mr. Neville Alexander Senior Economist, Ministry of Trade and Industry

Key Issues Discussed

9.4 The following are the key subject areas/issues discussed during the hearing:

The following are the main issues arising from discussions with the **Ministry of Youth Development and National Service (MYDNS)**:

Administration of the Entrepreneurial Relief Grant - (ERG)

- i. The ERG was launched in July 2020 by NEDCO to provide a measure of social support to businesses capable of providing proof of loss as a result of the COVID-19 pandemic.
- ii. The grant was advertised via NEDCO's social media, newspapers whilst a hotline was established to respond to related queries;
- iii. NEDCO experienced challenges in the initial disbursement of the grant but has since managed to reduce the application processing time from two months to three weeks;
- iv. NEDCO received 5,000 applications, 3,500 of which have been approved with a cumulative total of TTD 30,000,000 being disbursed;
- v. Candidates were selected based on the following criteria:
 - A BIR number was accepted in lieu of full registration on the condition that full registration must be completed at the end of the application process;
 - Statements of receipt/proof of expenditure and invoices to show loss of income;

- Filing of tax returns were not required but applicants could not have pending or current criminal matters;
 - Virtual site visits to validate the claims made about the nature of the business;
- vi. The business in receipt of the grant was not required to follow up with NEDCO to account for how the funds were spent. However, NEDCO collaborated with other Ministries to ensure that beneficiaries were not already in receipt of other grants and no evidence of fraud was found.

Challenges confronting MSEs and NEDCO's mitigating role

- i. The MYDNS identified the main challenges affecting MSEs as contraction in demand, reduced income, difficulty meeting expenses, unreliability of supply chains and access to forex;
- ii. NEDCO was working on providing a continuum of services to their clients and had already begun the rollout process through digital channels. The choice of services to be offered was based on feedback obtained from a survey undertaken in May 2021. The following numbers of persons have been engaged:
 - 401 participated in training sessions;
 - 143 participated in business advisory services;
 - 1916 participated in webinars; and
- iii. In terms of the sufficiency of staff to manage the process, the Enterprise Development Division still lacked the majority of its technical staff.

Direct Engagement with Communities

- i. NEDCO partnered with the Trade and Investment Convention (TIC) to conduct a sensitisation on the potential benefits of the budget initiatives to MSEs and are open to working with all stakeholders to engage communities; and
- ii. Community engagement will be NEDCO's focus in 2022 and the organization intends to re-visit the issue of collateral in their loan offerings, the need to provide smaller loans and furtherance of its business advisory services. These collective arrangements would also assist with the registration of businesses.

The following are the main issues arising from discussions with the **Ministry of Trade and Industry (MTI)**:

Profile of MSEs

- i. Though exact figures were not available, ExporTT estimates that 40-50% of the merchandise exporters in their database of approximately 400 clients, would classify as MSEs. No information was available on the number of service exporters.

Tobago Enterprise Development Project

- i. The project encompassing several different facets, was created to assist Tobagonian businesses to improve their productive capacity;
- ii. The project includes:
 - Standardisation and scaling up of indigenous food products for export including tamarind balls, bene balls and fudge;
 - Assistance to 10 potential Tobago export manufacturers to join an e-commerce website; and
 - Construction of a factory shell to meet export food safety requirements for small exporters operating from their domestic kitchens.

The impact of freight increases

- i. The MTI was aware of the challenges being experienced within the freight and shipping industries and had actively taken measures to mitigate these concerns. Some of these initiatives included:
 - Stakeholder engagement with the Supermarkets Association and Pharmaceutical Industry and removal of the Common External Tariff on basic food items;
 - Interventions to clear log jams at the ports as well as stock taking exercises to ensure the adequacy of supplies of essential goods;
 - Representation to the EximBank on behalf of the business community to ensure access to foreign exchange for the purchase of raw material; and
 - Medium to long-term goals included- implementation of software to streamline operations at the Port with work slated to commence as early as February 2022 and an import substitution model to facilitate the production of goods locally.

Export Booster Initiative

- i. All the programmes in the Export Booster Initiative (EBI) were geared towards producing results within a twelve-month timeframe. Some examples of the targets set include: a 10% increase in exports at the end of the 12-month-period and a doubling of exports by 2024;
- ii. A Steering Committee met monthly to consider projects and reduce hurdles relevant to the EBI;
- iii. The MTI proposed the creation of a Trade and Investment Promotion Agency, the details of which was before the Cabinet. The creation of this agency resulted in some delay to the implementation of the trade facilitation office in Cuba; and
- iv. The Innovation Voucher programme seeks to connect universities and entrepreneurs. Entrepreneurs displaying high potential would have the benefit of accessing the skills and expertise of the universities to provide solutions and encourage product development. It would also provide a platform for unique idea development and innovation.

Virtual Trade Missions

- i. Virtual Trade Missions have been facilitated by the ExporTT to enable export ready companies to engage directly with potential buyers. The CARICOM market was the most accessible for MSEs. Additionally, two trade missions to Guyana and Jamaica respectively, were held recently; and
- ii. Should a small scale producer be unable to meet the demand of a full shipment, several small scale producers may collaborate to meet export demands.

Foreign Exchange (FOREX)

- i. Given the challenges faced by businesses to access forex, one of the goals of ExporTT is to educate MSEs about the benefits of expanding into foreign markets, inclusive of the potential to earn more for their products alongside foreign exchange;
- ii. However, MSEs are often constrained from expanding outward not only because their products lack demand in foreign markets but the cost of investment is often out of reach for many MSEs; and
- iii. Manufacturers as well as companies importing essential goods were guaranteed access to foreign exchange through the EximBank.

Encouraging the growth of small businesses

- i. The MTI initiated a number of efforts to encourage the growth of MSEs including:
 - a. Special consideration for women, youth and persons with disabilities as outlined in the Trinidad and Tobago Trade Policy 2019-2023;
 - b. Increasing the training and capacity building of women entrepreneur through the SheTrades initiative;
 - c. A youth accelerator programme administered by the Caribbean Export Development Agency (CEDA) and the IICA;
 - d. Consideration for creative professionals through a suite of programmes offered by CreativeTT;
 - e. Participation in the Dubai Expo from October 2021 to March 2022;

The following are the main issues arising from discussions with the **Ministry of Finance (MoF)**:

SME Loan Guarantee Facility

- i. The SME Loan Guarantee Facility was conceptualised in March 2020 to be rolled out by commercial banks. Phase I of the programme had a number of stringent qualifying criteria attached. These were:
 - Proof of statutory payments (BIR, VAT and employees' NIS) up to date as at 2020;
 - SMEs had to meet banks' credit worthiness and debt service ratio standards;
 - Submission of annual audited or management financial statements within 60 days of each financial year;
 - Submission of semi-annual, unaudited financial statements within 60 days of the semi-annual date;

- Any other financial or operating statements;
 - Any other requirement as per the bank's individual lending criteria;
- ii. The criteria that was set in Phase I of the programme was based on information that had been collected by the banks pertaining to the threshold characteristics of a typical MSE. Some of these criteria were shifted downwards to facilitate greater uptake in Phase II of the programme;
 - iii. The Ministry re-visited the criteria to access the loan facility in Phase II of the programme, given the low uptake. Clients are now required to be up to date with statutory payments as at financial year 2018 and must within one year of receiving the loan, bring their 2019/2020 outstanding payments up to date, or make an arrangement with the relevant agency to that effect;
 - iv. The loan is disbursed in tranches and clients are required to account for the monies spent. To date 272 persons have accessed the facility whilst 230 were denied;
 - v. One of the significant findings that emerged during the implementation of the Ministry of Finance's COVID-19 support measures was that MSEs are prevented from accessing these facilities because they operate in an informal process and lack formal documentation to support their applications;

Credit Union Emergency Income Loan Facility

- i. There were two facilities made available to credit unions. One of the facilities was valued at TTD 100 million, yet less than 1% of that total was disbursed;
- ii. To give an overview of the situation, as at December 2020, the total number of emergency income loan facilities disbursed by credit unions was 75, of which 64 have already been reimbursed by the Ministry of Finance;
- iii. The emergency income loan facility being administered by credit unions have been extended to December 2021.

ADJOURNMENT

10.1 The Chairman thanked Members, staff, the viewing/listening public and adjourned the meeting.

10.2 The meeting was adjourned at 12:56 p.m.

I certify that these Minutes are true and correct.

Chairman

Secretary

January 19, 2022

**EXCERPT OF MINUTES OF THE EIGHTH MEETING
JOINT SELECT COMMITTEE ON FINANCE AND LEGAL AFFAIRS,
12TH PARLIAMENT
HELD ON FRIDAY JANUARY 21, 2022**

The Meeting was held virtually via Zoom

PRESENT

Mrs. Hazel Thompson-Ahye	Chairman
Mr. Clarence Rambharat	Vice-Chairman
Mr. Marvin Gonzales, MP	Member
Mr. Keith Scotland, MP	Member
Mr. Terrence Deyalsingh, MP	Member
Mr. Saddam Hosein, MP	Member
Ms. Jayanti Lutchmedial	Member

ABSENT/EXCUSED

Mr. Hassel Bacchus	Member
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Secretariat

Mr. Julien Ogilvie	Secretary
Mr. Brian Lucio	Assistant Secretary
Ms. Terriann Baker	Researcher
Ms. Ria Rampersad	Researcher

**PUBLIC HEARING PURSUANT TO AN INQUIRY INTO THE IMPACT OF COVID 19
ON THE MICRO AND SMALL ENTERPRISES SECTOR**

9.5 The meeting resumed in public at 10:04 a.m.

9.6 The following persons joined the meeting:

Tobago Division of the Trinidad and Tobago Chamber of Industry and Commerce

- | | |
|--------------------|-----------------------------|
| 1. Ms. Diane Hadad | Chairman |
| 2. Mr. David Wong | Management Committee Member |

trends were recorded on the sister isle of Tobago, as the number of restaurants declined from 111 to 68 and the number of dive shops from 10 to 2;

- ix. Foot traffic has decreased in many areas due to the fact that potential customers now have less income at their disposal and fear the risk of COVID-19 infection. This also impacted negatively on uptake for traditional retail as well as luxury services, such as salon and spa appointments;
- x. Many businesses have also reported increasing psychological fatigue both within their membership and among consumers due to the unexpectedly protracted nature of the pandemic; and
- xi. The inability of the small business community to have guaranteed access to foreign exchange was also a delimitation, given the pivotal role of forex in enabling businesses to invest and expand.

Businesses' views on the State of Emergency

- iv. Business owners had mixed views on the State of Emergency, the majority saw the necessity of its imposition to curb the spread of illness, others felt that it was not warranted at the time. However, most appeared to be in agreement that the length of time the SOE remained in effect was unjustifiably long; and
- v. The SOE particularly affected the restaurant, bar and entertainment sectors with trickle down effects manifest in retail clothing sales. Now that the SOE has been lifted, businesses have seen an increase in patronage, but the levels are not comparable to that of pre-COVID 19.

Uncertainty as a barrier to business continuity

- i. Businesses are cautious about business continuity and recovery largely because they fear a reversion to COVID-19 pandemic restrictions;
- ii. Many have adopted a measured approach, reducing the hours of operation, limiting new debts and the re-purchase of stock. There was an expressed need for more definite policy directives on the way forward by the Government; and
- vi. Clear advice was therefore needed on how decisions regarding lockdown measures would be taken for businesses to be able to effectively chart their forward approach. This was also relevant to how core issues specific to the COVID-19 pandemic should be addressed. Two key concerns were relevant to quarantine and isolation measures, as well as that of pandemic leave, and more specifically, its definition and basis for application.

The unique challenges faced by Tobago

- iii. The business sector in Tobago is composed primarily of small businesses, of which the Tourism sector was acutely affected. Stakeholders noted that the sector was in decline even before the pandemic, a situation further exacerbated by the closure of the borders;

- iv. Notwithstanding the TTD 50 million Tourism Accommodation Relief Grant distributed by the Tobago Tourism Agency Limited in 2020, many tourist accommodation owners held the view that the extension of loans alone was not the solution. What was required was the need for businesses to re-structure their loans/financing and the suggestion was made that this could be re-visited under the Tourism Accommodation Relief Grant;
- v. To exemplify the need to review this facility, a distinction could be drawn on the number of persons accessing the tourist accommodation grant and the number actually in receipt, as 38 out of 120 persons qualifying to access the grant are still awaiting their second tranche; and
- vi. In terms of the closure of beaches, stakeholders' views varied between those that felt the opening time could be extended to 4:00 pm to facilitate water sports and those who felt that the restrictions were ill-advised and that prohibitions should be placed on alcohol consumption on the beaches as a more stream-lined measure.

The Safe Zone initiative

- ii. The sustainability of the Safe Zone initiative was questioned by some business stakeholders due to the dual effect of increased facilitation costs and reduced customer demand;
- iii. Dine in options for families, consisting of both vaccinated and un-vaccinated members, as well as parents and un-vaccinated children were prohibited, thereby limiting the potential number of customers; and
- iv. Suggestions were put forward for the digitisation of vaccination cards, as a component of the existing health-card initiative, to simplify inspection and reduce instances of fraud.

Businesses' experience with government grants

- iii. Stakeholder businesses represented lamented the fact that many were unaware of the opportunities that existed for grant funding and other forms of government financing. It was expressed that many businesses were too concerned with trying to stay afloat and were unable to sacrifice income in exchange for seeking out information about the various initiatives;
- iv. The Sangre Grande Chamber of Commerce therefore undertook a novel approach to educating their membership through the hosting of webinars and information sharing on various social media platforms;
- v. Some stakeholders also put forward that the amount of money on offer via the Government's support measures was insufficient for businesses to ideally cover operational costs whilst simultaneously investing in their growth. It was further highlighted that the stipulations of the SME loan facility, as it relates to arrears as an example, in fact precluded many persons from qualification based on the criteria;
- vi. With respect to the Entrepreneurial Relief Grant (ERG) the following issues were raised:
 - There was a delay in the processing of applications and many persons were unaware of whether they even qualified;

- The application process was found to be burdensome for many MSEs and it was expressed that greater overtures could have been made to facilitate businesses' access and registration;
 - Persons applied to similar programmes in advance of the ERG. As a result, they were barred from gaining access to the ERG, although it was the preferred option for MSEs;
 - Some stakeholders held the opinion that persons who accessed many of the Government's support measures were not necessarily deserving; and
- v. Exhortations were made for the small business community to avail themselves of the existing support measures and where possible, to make representations to the Minister of Finance in order to have their views considered.

Support for the vaccination mandate

- ii. All of the business associations present expressed full support for the vaccination mandate. Some agencies such as the San Juan Business Association and Sangre Grande Chamber of Commerce even partnered with other bodies to boost vaccination within its membership;
- iii. The issue of fear as being a prime deterrent to the vaccination effort was also brought to the fore and the need for continuous and supportive dialogue to allay citizens' concerns was one of the exhortations of stakeholder representatives; and
- iv. It was also noted that in the private sector the focus was on encouraging employees to become vaccinated and the merits and de-merits of incentivising this process was also discussed.

MSEs innovation and resilience

- v. Businesses did innovate to counteract the effects of the pandemic. This was achieved mainly through the following endeavours: curbside pick-up, social media marketing with orders completed via TTPOST deliveries and online tutorials, amongst others;
- vi. One of the drawbacks of these efforts was that several of the businesses that attempted to innovate lacked the competitive advantage and so the changes were often unsustainable; and
- vii. The cost of making the transition online was also prohibitory, especially for older business owners that lacked that technical knowledge.

Government support measures of MSEs- what is needed

- iii. Feedback from the stakeholder representatives put forth targeted solutions to supporting the recovery of small businesses. These are
 - *Financing*- Many businesses opined that funding via grants was a critical need and to exemplify its urgency, 70% of 179 businesses surveyed in a Tobago business impact survey listed this as an immediate need;

- *Open dialogue with financial lending institutions-* Given the existing arrears of many small businesses, stakeholders indicated that a different approach to lending was required to help businesses recover. This included not only restructuring of loan portfolios and moratoria but also the extension of new lines of credit at lower lending rates;
- *Improving port operations-* This entailed moving to an online system to facilitate the submission of documents as well as appointments;
- *Forex-* Dedicated forex allocation for small businesses at a minimum of 10% with the un-used portion to be returned for use by other sectors;
- *Reduced rates-* Reduction of VAT on container cargo clearance and credit card interest by 50% as well interest free loans facilitated by NEDCO. There should also be consideration for small businesses not to be charged commercial rates for utilities such as electricity and internet; and
- *Waiver of late payments for tax and national insurance payments and collaboration among government agencies-* (e.g. NEDCO and the Ministry of the Attorney General and Legal Affairs) to advance businesses' registration and eligibility for Government support measures.

ADJOURNMENT

10.3 The Chairman thanked Members, staff, the viewing/listening public and adjourned the meeting.

10.4 The meeting was adjourned at 12:30 p.m.

I certify that these Minutes are true and correct.

Chairman

Secretary

February 17, 2022

APPENDIX II
VERBATIM NOTES

VERBATIM NOTES OF THE SEVENTH VIRTUAL MEETING OF THE JOINT SELECT COMMITTEE ON FINANCE AND LEGAL AFFAIRS HELD (IN PUBLIC) ON FRIDAY, NOVEMBER 19, 2021, AT 10.15 A.M.

PRESENT

Mrs. Hazel Thompson-Ahye	Chairman
Mr. Clarence Rambharat	Vice-Chairman
Mr. Keith Scotland	Member
Mr. Marvin Gonzales	Member
Ms. Jayanti Lutchmedial	Member
Mr. Saddam Hosein	Member
Mr. Julien Ogilvie	Secretary
Mr. Brian Lucio	Assistant Secretary
Ms. Terriann Baker	Graduate Research Assistant
Ms. Ria Rampersad	Graduate Research Assistant

ABSENT

Mr. Hassel Bacchus	Member
Mr. Terrence Deyalsingh	Member

MINISTRY OF TRADE AND INDUSTRY

Mr. Dhanraj Harrypersad	General Manager, ExportTT
Mr. Neville Alexander	Senior Economist, Ministry of Trade and Industry

YOUTH DEVELOPMENT AND NATIONAL SERVICE

Mr. Farook Hosein	Permanent Secretary (Ag.)
Mr. Calvin Maurice	Chief Executive Officer, NEDCO
Mr. Marlon Mills	District Coordinator, Enterprise Development Division

MINISTRY OF FINANCE

Ms. Yvonne Neemacharan	Deputy Permanent Secretary, Strategic Management Executive Office
Ms. Enid Zephyrine	Director, Strategic Management Execution Office
Mr. Dexter Jaggernaut	Programme Manager, Strategic Management Execution Office

Madam Chairman: Good morning everyone and welcome to this enquiry where we are going to—we have two objectives, to evaluate the economic impact of the COVID-19 pandemic on micro and small enterprises. According to the 2015 ILO Report on small and medium enterprises and employment creation, the following terms are defined as follows: microenterprises: two to nine employees; small enterprises: 10 to 49 employees; and medium-sized or large enterprises: 50 or more employees.

According to the International Labour Organization, the pandemic is heavily affecting labour markets, economies and enterprises including global supply chains leading to widespread business disruptions. The COVID-19 pandemic has caused an unprecedented impact on Latin American and Caribbean labour markets which have already experienced a sharp increase in unemployment rates. The situation leaves millions of people unemployed and without income which will generate several social and economic challenges including increased inequality and poverty in the region.

So we are looking today at what has happened and we have before us Ministry of Finance, Ministry of Youth Development and National Service and Ministry of Trade and Industry. So we are commencing this enquiry today and we are happy to have the representatives of those Ministries and also members of the listening and viewing audience, and you are invited—you are part of this enquiry and you are invited to post or send your comments via the Parliament's various social media platforms: Facebook page, *ParlView* and the Parliament's YouTube channel and Twitter.

I am Hazel Thompson-Ahye and I am Chairman of this Committee, and I now invite members of the Committee to introduce themselves.

[Introductions made]

Madam Chairman: All accounted for? Now, I will ask now the officials from the various Ministries to introduce themselves. Ministry of Finance.

[Introductions made]

Madam Chairman: Welcome. Ministry of Youth Development and National Service, please. Officials, introduce

yourselves.

[Introductions made]

Madam Chairman: Trade and Industry, please.

[Introductions made]

Madam Chairman: So welcome. Welcome all of you. We are very happy to have you here with us this morning. So again the objectives:

- To evaluate the economic impact of the COVID-19 pandemic on micro and small enterprises;
- To identify the factors and conditions which may inhibit business continuity for micro and small enterprises post COVID-19; and
- To assess the existing policies, projects and programmes of the State designed to support the economic recovery.

Now, I will ask each of you, each representative of the Ministry, one person, to make your opening remarks, maximum of two minutes. Mr. Hosein, can we start with you? Farook Hosein.

Mr. F. Hosein: Madam Chair and members of the JSC, the Ministry of Youth Development and National Service appreciates the work of the Joint Select Committee on Finance and Legal Affairs in its enquiry into the impact of COVID-19 on micro and small enterprises. The Ministry recognizes and applauds the tenacity of micro and small enterprises which had been the most vulnerable to the economic challenges owing to COVID-19. As innovators, entrepreneurs and business owners within their MSE sector are the backbone of emerging economies. In fact, MSEs are integral in our economy's development and diversification.

The Ministry of Youth Development and National Service, through its agency, the National Entrepreneurship Development Company Limited, NEDCO, provides direct support to our MSEs adversely affected by COVID-19. They have made available to MSEs a maximum of TT \$20,000 in grant funding via the Entrepreneurial Relief Grant. To date, approximately \$30 million in grant funding has been distributed to qualified MSEs. The Ministry of Youth Development and National Service commends all our micro and small enterprises in their business endeavours. I thank you.

Madam Chairman: Thank you very much, Mr. Hosein. Now I invite Ms. Yvonne Neemacharan, Deputy Permanent Secretary, Ministry of Finance.

Ms. Neemacharan: Good morning, Madam Chairman and members of the Finance and Legal Committee, my colleagues at the Ministry of Finance and the other attendees from Ministries, and others present in the meeting this morning. Madam Chairman, the Ministry of Finance recognized that the COVID-19 pandemic presented specific challenges to the micro and small enterprise sector. In consideration of the important role this sector plays in the economic development of the country, the Ministry of Finance responded with a comprehensive suite of measures and strategic interventions to address these challenges, details of which were provided in our response to the Committee's questions. We hope that the information submitted will assist the Committee in its deliberations and also, the team present here this morning is also willing to assist the Committee in its further deliberation. Thank you.

Madam Chairman: Thank you as well. Mr. Neville Alexander, Senior Economist, Ministry of Trade and Industry, I invite you.

Mr. Alexander: Thank you, Madam Chair. Good morning again to the Committee members, other distinguished participants and the listening public. Madam Chair, the Ministry of Trade and Industry has as its core mandate the development of the non-energy sector and it is a responsibility that we have endeavoured to pursue in the best of our abilities. And with the emergence of the pandemic and the measures, we saw the effects that it had on the small and microenterprises and we have endeavoured to take measures to continue to support those sectors, those affected firms as best we could. There we have implemented a number of measures in that regard, the Export Booster Initiative being one of them, which is a comprehensive package of initiatives aimed at helping business build capacity and to do better overall both in the local market and externally. We also have a number of ongoing programmes that all combine to help develop the business community and the small businessman, and this work is met in large part by exporTT, our implementing agency. Going forward, Madam Chair, we would like to thank the Committee for the opportunity to speak to these issues and provide clarity or further explanation on some of the written responses that we have provided to the Committee. Thank you.

Madam Chairman: Thank you very much, all of you. So we will commence questioning and I will remind you to direct your questions and concerns through the Chair, and please do not say "through the Chair" because we know it is through the Chair. Yes? So you will just ask your questions and then you—I also would like to remind you to activate the microphone on your devices when you are acknowledged and turn it off, when making your contributions so we do not have that feedback. So we will proceed starting with Youth Development and National Service.

Ms. Lutchmedial: Good morning. Madam Chair, if I could get started?

Madam Chairman: Yes. So I recognize you to begin your questioning, member Lutchmedial.

Ms. Lutchmedial: Yes. Good morning, members and persons appearing before the Committee. Firstly, I just want to ask a question with respect to the engagement of persons during the COVID-19 period and the lockdown, and your ability to engage with your stakeholders. You mentioned—the Ministry’s response mentioned utilizing non-traditional methods of communication as to get around the imposition and the restrictions on face-to-face communication, Zoom and Teams, and so on, and telephone. Could you identify for us whether there were any special hotlines, telephone numbers available, as well as how this service that was available to your stakeholders, how was it marketed so that people would have been aware that this was available to them during the period?

Mr. F. Hosein: Good morning, again. The implementation of initiatives with respect to entrepreneurship and especially the ERG was through our agency, NEDCO. So I will ask the CEO of NEDCO to provide the details. Thanks.

Mr. Maurice: Thank you very much, PS. NEDCO initiated various means in regard to communication with these stakeholders, one of which would have been a direct hotline so stakeholders can contact NEDCO. Other forms of getting out the information with regard to the hotline and means of communication would have been advertised on the national newspapers and also on NEDCO’s Facebook page. We kept constant communication through those media and that is one of the major ways of engaging these stakeholders.

Ms. Lutchmedial: Okay. And is that hotline—could you tell us when that hotline was set up? Approximately when that hotline came on stream?

Mr. Maurice: The hotline came on stream immediately upon the start of the disbursement in January 20—in July 2020, sorry.

Ms. Lutchmedial: And this hotline dealt—you said disbursement, so this hotline was dealing specifically with the Entrepreneurial Relief Grant or just in general assistance that the Ministry could offer to MSMEs?

Mr. Maurice: Well, significantly in regard to the ERG, but of course, other support that would have been required from NEDCO in regard to the micro-entrepreneurs.

Ms. Lutchmedial: Okay. With respect to the virtual meetings that you were able to have with stakeholders, could you tell us about approximately how many meetings you all were able to have with persons, with clients? I will just refer to them as clients generally.

Mr. Maurice: Well, we had a total of 400 training sessions, 143 business advisory sessions, and one—we had just approximately—in terms of webinars, I do not have the exact number in terms of webinars. Oh, sorry, sorry. The numbers I gave you would have been the number of participants for the various sessions.

Ms. Lutchmedial: I was wondering.

Mr. Maurice: Yes. So we had 401 persons who participated in training; business advisory, 143; and webinars, 1,916, making it a grand total of 2,500. I unfortunately do not have the number of sessions, but the total of participants.

Ms. Lutchmedial: Before accessing one of the services or the ERG particularly, would attendance at any particular session be mandatory before you are able to access the grant? I did look at the criteria for the grant, but I did not see, sorry, in your submission it has some basic criteria, but I did—you said that they would do a site visit, but you did not say whether or not attending any of these sessions like information sessions—I assume that these sessions will be geared towards assistance.

Mr. Maurice: It was open. Yes, it was open. It was not mandatory that—

Ms. Lutchmedial: It was not mandatory?

Mr. Maurice: No, it was not.

Ms. Lutchmedial: Okay. With respect to the site visits, do you have any idea how many site visits you all would have done during the period for businesses who wished to access the ERG?

Mr. Maurice: Just the amount of disbursement which would have been over 3,000 site visits, all of them virtual of course.

Ms. Lutchmedial: Oh, virtual. Okay.

Mr. Maurice: Yes.

Ms. Lutchmedial: All right. Okay, I do not know if anybody else has questions on that first point about stakeholder engagement.

Madam Chairman: What are the—

Mr. Rambharat: Thank you very much—

Madam Chairman: Sorry? You wish to—

Mr. Rambharat: Yes please, Chair. To the three entities because this question applies to everybody. What I noticed across the three submissions was that a significant amount of potential recipients did not meet the criterion. That specifically relates to things like evidence of incorporation, evidence of registration, financial records and some of those things. So while the grant was available, it seems a though a lot of potential beneficiaries did not meet some of the things required for consideration. So I want you just to talk about that and also say what efforts are being made to assist these potential beneficiaries going forward in meeting some of the basic statutory requirements?

Mr. Maurice: If I may? NEDCO—one of the requirements would have been registration of business. In starting the application, we accepted a BIR number but upon completion of the processing of the grant, the applicant would have been required to provide NEDCO with the registered business. So at the end of the day, over the 3,000 persons that would have been beneficiaries to ERG from NEDCO eventually were registered as businesses.

Madam Chairman: I know you were directing it to the other sectors but let us take it in order so that when we get to that sector, they can answer that question. But I wanted to ask, before I go to Mr. Hosein, member Hosein, what are the most common challenges that are confronting these micro and small enterprises sectors during the pandemic?

Mr. F. Hosein: As we had indicated in our submission, the contraction in demand for goods and services, and along with that, the reduced income by the enterprises. So they have difficulty in covering their expenses such as rent and wages, et cetera. Of course, unreliable supply chains, and as we are aware there are difficulties with respect to access to foreign exchange. So those were the major challenges that were identified by the Ministry as well as by NEDCO.

Madam Chairman: All right. Now, let me explain to all the entities present that you would have submitted to us responses to our questions which we have in front of us. But this is a public enquiry and we want the public also to be informed, so you will find that you will be repeating orally at times things that you would have already said to us in writing. So that at the end of day, the public will be well informed as well as we are. So thank you. Member Hosein, you have the floor.

Mr. S. Hosein: Thank you very much, Chair. My questions are directed directly to NEDCO. Can you tell us the date in which these grants became available to individuals?

Mr. Maurice: Yes. The grant became available late—I can—the exact date, but late, the last week in July 2020.

Mr. S. Hosein: Last week July 2020. And of the 3,297 beneficiaries of the grant that you indicated in your response to us, can you let us know or confirm that all 3,297 persons' business were registered?

Mr. Maurice: Yes. It would have been a prerequisite. So as I indicated earlier, though some of them would have not been registered in terms of starting the application, it would not have prohibited the processing of the application. So in terms of evidence required to complete the application, the business would have been required to show evidence of registration if only by at least starting the process of having their business being identified and being evidenced so from the Ministry of Legal Affairs.

Mr. S. Hosein: Okay. And then afterwards I saw that—well, I listened to you before and you said there is something called—one of the checks and balances is that you all conduct a site visit and you said there is a virtual site visit. Can you just give us an indication of what this virtual site visit is about?

Mr. Maurice: Well, the virtual site visit will require to the business owner, the entrepreneur, to provide evidence of what they say the business—identify what the business was about in the application. So if it is a retail store then they will have to identify the signage of the business, they will have to identify, show you virtually in terms of different areas of the store to confirm and to provide enough evidence for NEDCO. Obviously, member, one, because of the pandemic, NEDCO's staff was certainly unable to go out given the exposure. We found the virtual arrangement worked quite well and sufficiently so.

Mr. S. Hosein: So we can confirm no physical checks were done by NEDCO. The Ministry would have released approximately, let us say, about \$28 million and no virtual visits—sorry, no physical visits were done to over 3,297 beneficiaries of this money. I have some—I am very uncomfortable with that position because right now we are opening back. I think NEDCO should have done some physical visits to really verify some of these applications because in the past, we have seen where grants were issued previously and there was no established entity operating at the sites in which the information was given to. So that is the first point.

The second point with respect to the grants is that when you issued this grant to these individuals, is there a follow-up to determine whether or not the moneys were spent in accordance to what they indicated that they would have spent the money for? Can you indicate to us what are the controls or the accounting mechanism for these beneficiaries to NEDCO?

Mr. Maurice: Well, the premise of the grant, member, was to recover loss and not to invest in. So in terms of evidence required by the applicant to show what they actually did would be limited because the premise of the grant was to recover loss of the business during that specific period of the pandemic. In terms of our accounting procedure and the quality of our accounting procedure has been subject not only to our internal audit system, also which we provided to the Committee in terms of the internal audit report, but also by the Auditor General.

Mr. S. Hosein: I cannot say—I maybe missed it but I did not see the internal audit report. So basically, the grant was for buffering loss suffered by businesses but the businesses have no duty to report to NEDCO to indicate exactly where the money was spent. Is that what I am getting from you, Mr. Maurice?

Mr. Maurice: Correct.

Ms. Lutchmedial: Mr. Maurice—sorry, Chair, can I just ask a question? I do not know—I stepped away for a moment but I do not know if it was asked. I just have another question coming out of the parameters for the ERG. I heard when

Mr. Maurice indicated about some proof that the registration process had begun and as an alternative I see here that proof of an assignment of a BIR number was requested. What about proof of actually filing your tax returns? Did NEDCO ask applicants for this grant to show that they had actually been up to date with the payment of their taxes and about their tax returns?

Mr. Maurice: Member, no, we did not require—we did not ask of that evidence—that type of evidence. And essentially, during the period of the pandemic, withholding the grant or funding from the entrepreneurs based on the arrangement between the Ministry of Finance and the Ministry of Youth Development and National Service, through the agency of NEDCO, was not on the premise again on this area in terms of the compliance with taxes. It was not part of our remit.

Ms. Lutchmedial: You see, Mr. Maurice, the reason I asked that question is that based on the criteria and the parameters you set out here, it appears that \$28 million could have been disbursed to people who do not have a registered business because they have only begun the process, who are doing business based on a virtual site visit but perhaps have never paid their taxes and, you know, I do not know how we confirm proof of address and details on persons employed virtually, but I share the concern of member Hosein about the criteria here. Because we have a serious—it has been raised on many places about the payment of taxes as well as, you know, the duplication and so on. You said that persons in receipt of other benefits also would not qualify for a—

Mr. Maurice: Correct.

Ms. Lutchmedial: —grant. What sort of verification was done to ensure that no one under this—who applied for this grant was in receipt of another grant?

Mr. Maurice: Okay. Before I answer that question, may I answer—may I refer to another statement that you made? In terms of proof of address—

Madam Chairman: May I interrupt here? May I interrupt here? Both questions and responses through the Chair, please. So not to you and you. Yes? Not directly to the person who is asking and not directly to the person who is responding.

10.45 a.m.

Mr. Maurice: Thank you, Madam Chair. The proof of evidence would have been through the receipts, for example, electricity bills and different forms of receipt to show that the applicant's address would be consistent with what was given. As it relates to the other part of the question, could you just tell me the other part of the question please?

Ms. Lutchmedial: You said that one of the criteria, part of what you have stated here are the parameters, you said that “you are not in receipt of any other grant”, the applicant could be in receipt of grants, food cards and so on.

Mr. Maurice: Okay.

Ms. Lutchmedial: What type of verification was done to ensure that no one applying for the ERG was in receipt of another form of Government assistance?

Mr. Maurice: Well, there is direct synergy between the various Ministries or the different disbursing agencies as relates to grants and the information would have been shared with NEDCO based on the applicants who receive grants. So therefore, there was a cross-referencing of that particular information.

Ms. Lutchmedial: Okay and my final question on the—

Madam Chairman: Yes, final question then we go to Mr. Scotland, please.

Ms. Lutchmedial: Sure. Final question on these parameters. You said applicants with current or pending criminal court proceedings would not be eligible. I have a bit of a concern there with respect to the—well, current or pending, you know? What was the thinking behind excluding persons who may have a criminal proceeding pending before the court regardless of how long? And of course we know the length of time and I am sure Mr. Scotland would jump in on that one. But what was the thinking behind excluding someone on that criteria one; and two, when you say criminal court proceedings, are we dealing with a specific type of proceedings or just anybody?

Because you know, some people, for example, might have court proceedings pending for something related to fraud and money laundering and abuse of business for laundering money and so on and you may want to exclude them, but I do not know that if you have, for example, a pending charge for something unrelated to fraud or something like that that you would want to be excluded. So what was the thinking behind this and were there specific parameters relative to this pending criminal court proceedings?

Mr. Maurice: There were not—just to say, member, I would not have specific information regards to the justification behind it. As I said, it was a discussion between the Ministry of Finance and NEDCO and we work within a particular remit but just to say that no persons in that category came before NEDCO in regard to the application.

Ms. Lutchmedial: Perhaps because they knew that they did not qualify.

Mr. Maurice: We have no evidence of such persons coming through.

Ms. Lutchmedial: Well, I just wish to place on record my concern that persons who are innocent until proven guilty might have been excluded from accessing a government grant. Well, as members would know, I have serious concerns

when it comes to those areas. But nevertheless, I would appreciate some more information if you could provide it—

Mr. Maurice: Sure.

Ms. Lutchmedial:—with respect to the thinking and whether there were specific parameters to narrow down that definition of pending criminal proceedings.

Madam Chairman: Before we go to Mr. Scotland, I just need to clarify something with you, Sir. Now, in response to Ms. Lutchmedial or another member, you did say that you did not pay site visits but in your submission to us, we are seeing Appendix I that one of the conditions were site visits to confirm of the existence of the business and the details would be recorded on NEDCO's current site visit form and the visits may be waived if the information was already on file. So which should we rely on? Your oral evidence this morning or your written submission?

Mr. Maurice: My oral evidence, Madam Chair, stated that we did virtual site visits. I did not say we did not do any site visits. We did virtual site visits.

Madam Chairman: Oh, so they were all virtual?

Mr. Maurice: Yes they were.

Madam Chairman: So we are to understand the site visit to confirm the existence, you are saying virtual?

Mr. Maurice: They were virtual site visits.

Madam Chairman: Amazing. All right. Could we turn to Mr. Scotland then?

Mr. Scotland: Chairman, I am very grateful for the opportunity. Before I begin my very brief interrogation, may I disclose that I have in the past in a non-contentious and maybe a contentious matter acted on behalf of NEDCO so I have disclosed that as an interest in the past.

Through you, Madam Chair, may I ask, as it relates to the virtual site visits, Madam Chair, through you, over the past 14 to 18 months, could we confirm that the Judiciary, before virtual trials commence, do virtual site checks in law offices or the vac centres to ensure the integrity of the courtroom so to speak because there is no physical court? And can I ask through you whether NEDCO did that same—although it was virtual, whether that same sort of checking for various pointers, the existence of the business, certain things, I do not know, that would have established the legitimacy of the business but for an actual physical visit?

Mr. Maurice: Yes, NEDCO would have—well, based on the virtual site visits, the key landmarks, the key information in regard to the business so therefore if a NEDCO officer will want to drive past the business, that was also possible because what NEDCO was attempting to do, members, would have been, one, to safeguard our staff from the exposure but also to execute in an expeditious way the grant application. So, correctly so, landmarks would have been taken, driving past the business to verify the information and the existence of the business. But it is—I will not say we did it for 3,500 businesses but essentially, it was available as an option, as an audit option for NEDCO.

Mr. Scotland: Thank you. My second question, through you, Madam Chair, it is for member Hosein, a follow-up question. You have done your audit. Have you unearthed any instance of any fraud perpetrated by any applicant for the emergency grant based on the methodology used by NEDCO for the \$28 million?

Mr. Maurice: No, no fraud, no evidence of fraud was identified in our audit and of course, you know, all audits will show limitations, sometimes the proof of address may not be clear and those little things. Those are evidential in terms of an audit but there was no proof of any fraud in regard to the process being done.

Mr. Scotland: And, Madam Chair, my final question on this issue, I am piggybacking a little but I want to be a little more specific than member Rambharat. This emergency relief grant represents a substantial investment by the people of Trinidad and Tobago in our small entrepreneurs. Has NEDCO or has the Ministry, maybe the PS can answer this, have any continuum of service to follow up with these recipients to ensure because the pandemic is not going anywhere soon. Do we have any continuum of service that has been established or any plan to establish that in order to continue to assist, if not financially but in terms of maybe resources, maybe input, business input of these recipients of the grants to make sure that the grants have optimum results?

Mr. Maurice: I can answer that. I am sure the PS would also support. NEDCO—we did a survey during the process of the disbursement of the grant, as a matter of fact, May 2021, to identify what additional needs will be required, exactly what is being asked by the member, what additional needs will be required to support these entrepreneurs and it would have been identified that training, business advisory and NEDCO decided based on the information coming out from that survey, provided and continues to provide that measure of support to the clientele in a direct way.

One of which would have been the digitalization of businesses. We even had a joint arrangement with the Chamber of Commerce in regard to the support of a seminar as it relates to digitalization for micro entrepreneurs. So yes, NEDCO has a system in place to follow up and to enforce or to support these micro entrepreneurs in terms of sustainable business activities.

Mr. Scotland: Thank you very much, Madam Chair.

Madam Chairman: Member Hosein.

Mr. S. Hosein: Thank you very much, Madam Chair. Mr. Maurice, I just want to get back to some of the

questions—some follow up with respect to some of the responses that you have given. You said that the grant, the Entrepreneurial Relief Grant was to buffer those businesses that may have suffered a loss, so basically, the grants would have been directed to some of the loss that they would have suffered due to the pandemic.

When I look at the documents and this is the NEDCO website that I am reading from, required to access the grant, I am seeing for personal documents: ID cards, birth certificates, BIR number; for business documents: certificate of registration, proof of business operations including receipts, invoices, contracts and proof of address. There is nowhere in those documents to be provided that I am seeing that you must prove that there was some sort of loss in terms of the business. How were you able to verify that these businesses actually suffered losses, who were given the grant?

Mr. Maurice: Well, the fact that we asked for the proof of expenditure through the evidence of receipt during the period of the pandemic and we would know that during the period of pandemic, there was no income. There was no income because of the shutdown of the economy, the closure requirement for these businesses to close because of the pandemic and they were asked, as you quite rightly and correctly said, they provided us with evidence through invoices in terms of money that they would have spent during or before that period of pandemic that incurred loss because there was no income coming during the period of the pandemic. So hence the reason of the invoice.

Mr. S. Hosein: Mr. Maurice, an invoice cannot prove that a business suffered loss.

Mr. Maurice: Well, well—sorry, sorry.

Mr. S. Hosein: I do not know that a business can do that.

Mr. Maurice: Yeah, sorry, not invoice but what type of billing or receipts that they would have received during the period to have as a proof of evidence in terms of expenditure for their business during that period.

Mr. S. Hosein: You see, I am having difficulty because when I look at some of the businesses that benefited from the grant, there would have been such as grocery outlets, ICT, plumbing, electrical. Those were never shut down. Those were always deemed as essential businesses throughout the restriction, the pandemic. So you cannot say that an invoice can prove loss when in fact some of these businesses were essential businesses.

Mr. Maurice: Well, should there be additional information required to support if it is insufficient at this time, NEDCO can also provide further support in regard to your question.

Mr. S. Hosein: I have one more question. With respect to the requirement for the person not to have a current or pending criminal charge, if you may remember, and I am looking at an article here in the *Newsday* dated April 2021, where the police were not able to issue certificates of character and I would imagine that you would have required a certificate of character and if none were being issued by the TTPS, how were you able to identify or verify that those persons met the requirement?

Mr. Maurice: We can respond in terms to your question with written evidence or a written response on that, member.

Madam Chairman: Thank you. Now, member Gonzales has been waiting for a while.

Mr. Gonzales: Thank you very much, Chair. I eventually put down my hand because the same area that member Scotland examined and sought clarification from Mr. Maurice is the same angle that I was about to take so I decided to take down my hand.

Madam Chairman: Fair enough. Thank you. Unless there is another burning question for this Ministry that we have had on the spotlight for a while, I would like to move to Trade and Industry. Yes? Moving to Trade and Industry. Remember to forward your questions through the Chair and respond through the Chair as well, not on a personal level. Anyone?

Ms. Lutchmedial: Madam Chair, I had one other question that we had identified and I do not think that it was addressed today, the Ministry of Youth—not to NEDCO specifically but to the Ministry of Youth and National Service and I think it is important because it comes from their response specifically with the Enterprise Development Division with respect to the challenges that they have with staffing. Perhaps, I could just ask if they—because we are pressed for time and we spent some time already on this Ministry, if they could provide us with details of the staffing needs and the number of vacant positions currently in existence that require filling. Anybody from the Ministry of Youth and National Service?

Madam Chairman: Can the PS respond? Mr. Permanent Secretary? Anybody else from that Ministry?

Ms. Lutchmedial: Maybe we have lost them, perhaps—

Madam Chairman: All right.

Mr. Maurice: Yes, I think PS is—oh, sorry.

Mr. Mills: Good morning, again, Chair and to the Committee. Marlon Mills, the District Coordinator for Enterprise Development. Currently, the complement on staff is supposed to be 19 persons approved by the Cabinet. If you want, I could call it out by its position or I can send it in writing for you.

Ms. Lutchmedial: Yeah, just tell us how many are vacant right now and you can send the details in writing to save time.

Mr. Mills: Vacant right now, all I have is one district coordinator and three clerical staff currently, so basically we are missing nearly all the technical staff.

Madam Chairman: All right. Thank you very much.

Ministry of Trade and Industry. Given that an SME is defined as having one to 25 employees and an asset base of up to 1.5 million including real estate and a sales slope of \$250,000 to \$5 million. Can the Ministry of Trade confirm the number of small and micro enterprises that are exporters and the estimated total annual value export by small and medium enterprises? Small and micro enterprises, sorry.

Mr. Alexander: Thank you, Madam Chair. The statistics we have with respect to small and micro enterprises is centred around the number of companies that we engage in in terms of trade and I believe the figure in terms of established exporters and regular exporters, it is in the vicinity of 300 or so. Exactly how much of those are classified as small and micro enterprises, I could invite Mr. Harrypersad from exporTT who may have some information to further delineate that, but from our perspective, that figure of 300-or-so-odd companies and some of them would include some of the larger ones known to us.

In terms of the export, what I can say in terms of the non-energy exports for which the Ministry is focused primarily its activity, the figures we have in terms of non-energy exports, it is in the vicinity of about \$48 million annually and when we go in a further breakdown in terms of exports from the manufacturing sector, we are looking at between \$3 to \$4 million in exports. But I can invite Mr. Harrypersad if he would like to further expand on that.

Mr. Harrypersad: Okay, thank you, Neville. Just to be clear, the exporters that we are speaking about would be merchandised exporters, those who are trading intangible goods because that is the data that we have available to us. It would not include services exporters. And Neville, he shared a figure, it is a between around 300 and 400 active exporters per year based on the activity on our SW database which would record these transactions. I would say maybe roughly 40 per cent of those would—40 to 50 per cent would meet the requirements of SMEs. Well, more on the micro and small side because what you will find is of those 400 exporters or so, the top 40 are the ones who would be categorized as large, doing exports of over \$4 million and most of the exporters that remain are within that MSME category.

Madam Chairman: I was intrigued when you wrote about Tobago capacity building and you have a budget of \$2.1 million, yes, and you are talking about businesses registered in Trinidad and Tobago but operating in Tobago and you know I have a sweet tooth myself and when you talk about a producer of fudge, tamarind balls, sugar cake, benne balls and so on and domestic condiments, beverages and sauces and I see it is only for Tobago and I am wondering, you know, you are not offering that facility to Trinidadians as well who make their sugar cakes and fudges and so on? Is there a particular reason?

Mr. Harrypersad: Okay, yeah. So this project was specifically targeted to those indigenous products in Trinidad and Tobago to leverage its—as a tourist destination where persons would have been accustomed to visiting that market and aware of those particular products. What we recognized specifically in Tobago is that we had multiple producers of those indigenous products, however, the standards were not the same. Most of them lacked certain capacity, so should they get an export order, no one supplier would be able to meet that order. So with respect to this particular project, it deals with the indigenous sweets. The thinking was to standardize the product, get all these manufacturers together, improve the packaging as well so that it becomes more of an exportable product so it is no more of these clear plastic bags that you see around and work with them in that regard.

Now, whether or not it is not available to Trinidad and Tobago manufacturers of the same products.

Madam Chairman: Yes.

Mr. Harrypersad: Right, this particular project deals specifically with Tobago exporters but we deal with Trinidad exporters on a regular basis with respect to these, so we do cover these products but we just saw that there was some distinct challenges experienced with Tobago exporters particularly with things like logistics, getting raw materials in and out, exports out of those markets and that special type of product, particularly what differentiates from Trinidad to Tobago, like the benne balls and stuff like that, we saw that there were some trends towards those particular products using sesame seeds as a healthier option, that we thought that we could focus on and ensure that Tobago has that support with respect to this project.

What I should add is that the indigenous sweets are just one facet of that 2.1 million, there are other activities that are happening there as well which include getting 10 potential exporters from Tobago manufacturers on to an e-commerce platform so that would allow them to be able to sell their products abroad and there is also some work being done in collaboration with E-IDCOT towards building out a factory shell to accommodate some of our manufacturers in Tobago operating out of their kitchens so that they will be able to meet certain import requirements and productive capacity that will be required for sales both domestically and externally.

Madam Chairman: Have you been looking—

Mr. Alexander: Sorry, Madam Chair, just to correct myself for the record in terms of the non-energy exporters, it

was billion, I think I mentioned million. So it was 48 billion and 4 billion for the manufacturing sector.

Madam Chairman: All right. Member Hosein, I see your hand is up.

Mr. S. Hosein: Yes, thank you very much, Madam Chair. So based on the Ministry of Trade and Industry's written response that you would have provided to the Committee, I just want to focus with respect to what was taking place at the port and the operations of the port because that was one of the challenges to some of the small and micro enterprises in Trinidad and Tobago with respect to the freight cost because I think pre-pandemic, freight cost was about US \$2,500 for a container and it just went up to about US \$15,000. At the end of the day, that cost would have translated to the customer and then there were also issues with respect to the delays at the port which would have incurred additional fees to the importers. Can you indicate whether or not the Ministry, if this is of concern to the Ministry and what relief was given to some of the importers so that they can continue to manage the business during the pandemic while keeping the cost of goods and services down to the consumer?

Mr. Alexander: Thank you. Madam Chair, we at the Ministry are well aware of the issues that arose with the pandemic and with the port and there were some issues in particular that came to us that a lot of businessmen would have expressed in terms of delays, rising charges as well. So to address those, one of the things the Ministry did pretty early, after the lockdown measures were implemented, was to engage the business community to canvass from them the issues that they were facing and to explain to us exactly how we could intervene. We had discussions with the Supermarket Association, some of the pharmaceutical suppliers as well as the other business support, the organizations such as the TTMA and so on. And from those discussions, we were able to first of all, take a stocktaking exercise in terms of ensuring that food supplies and medicines were available and to identify or predict as best we could what were some of the bottlenecks that may occur and try to put measures in place to address those. So the Ministry would have intervened in some cases with the port where there were delays for shipment and where costs would have been incurred in terms of food items and other sensitive items, we would have intervened to ensure that those logjams were cleared with the port to help alleviate some of those issues. So those were some of the immediate reactions and interventions that would have been taken.

For more medium to long-term solutions, we are looking at a number of initiatives to try and ease the pressure of the rising food prices in particular that is being seen as a result of the global logistic issues and supply chain issues. So one of the things that we are looking at is we have identified a list of about 20 food items, basic food items for which we are seeking to reduce the CET duties on to help have some reductions in food prices. That is an initiative that we are pursuing right now.

11.15 a.m.

Mr. Alexander: And, also in addition to that, we have started work on a list of products that we would like to increase local production of, via an import substitution programme. These products are those that we think we have the capability locally to produce to such an extent that we could eventually be able to supply the region, 75 per cent of the region's needs. And for those products that we think we have the capability to do so, we will be seeking to provide some protection via the CET rate arrangements, where we would offer some protection from bill ports to help build that capacity and be able to reduce that impact from what is happening internationally with food prices and commodity prices to insulate consumers in that regard, so that those products would be available and produced locally.

We are also—in terms of the port, we are working with the Customs and Excise Division as well as the Ministry of Works and Transport to introduce a system, an online software solution, to reduce some of the manual processes and streamline the whole process to make dealing with the port a more streamlined and efficient system to reduce bottlenecks, take out some of the manual steps involved. That work is ongoing. Right now we are engaging a consultant to provide those services. We are looking to complete those negotiations with that supplier and start work for implementing that system early next year, as early as February next year, once our negotiations are completed.

So Madam Chair, in addition to that we had—one of the things that came out of the discussions with the business community early on during the pandemic led to a number of recommendations on how to move forward. And those recommendations are represented by the Ministry of Trade and Industry on the road map to recovery team. And those discussions, and coming out of that, one of the recommendations was to make the availability of access to foreign exchange more readily available. So, through EximBank, representation was made to have increased access to foreign exchange be made available through EximBank for manufacturers for purchase of raw materials, as well as to conduct other types of trade-related businesses.

So Chair, those were some of the things that the Ministry took note of immediately and things that are in train to help address and alleviate some of the effects of the pandemic on the micro and small enterprises sector.

Mr. S. Hosein: Mr. Alexander, I thank you very much for that comprehensive—sorry, Chair? Can I go ahead?

Madam Chairman: No, no. Yes, please.

Mr. S. Hosein: Thank you very much for that very comprehensive answer, Mr. Alexander. I just wanted to know if you would have looked at our neighbour, what they have done. In terms of the neighbour, I refer to Guyana. What

Guyana did was that they had instructed that freight charges be reduced to pre-pandemic levels in the calculation of custom duties, excise taxes and VAT on the goods that were imported. So the pre-pandemic rate would have been much lower to what the businesses had to pay during the pandemic. So that means shipping cost, freight cost, would have increased exponentially. So that is an additional cost to the businesses, because we are looking at the businesses themselves here. And then they would have to pay taxes based on that increased shipping and freight charge.

What Guyana did is that they reverted to calculating the taxes based on the pre-pandemic charges, which meant that there would have been lower taxes that would have been—that the businesses would have to pay at the port. Can you indicate, or can you say whether or not you had looked at this model to give some additional relief to those businesses? Because what Guyana did, it was not a permanent decision. They started it, I believe, for invoices from the 1st of August, 2021, and it will run until the 31st of January, 2022. And I think that can actually bring some benefits to some of the small and micro enterprises. Your views on this?

Mr. Alexander: Thank you, member, and through you, Madam Chair, Guyana's approach is surely an interesting one, or one that we can look to, for example, as a potential solution. However, when the Ministry first engaged in its response to the COVID, the response was focused based on the unique situation facing the market and finding the particular solution to that particular issue. That solution, as you outlined that Guyana pursued, is one that did not arise at the time. However, it is one that maybe could warrant further discussion, certainly with the Ministry of Finance. It is something that trade, those issues with tax rates and so on is something that finance will certainly play a big part, but trade certainly could give some input into the effectiveness of it and whether or not it is a road or an option we will want to employ. So I thank you committee member for raising it. It is something we would look at in the future.

Madam Chairman: I thought that your export booster initiatives, very—you have a lot of plans and very impressive. But what you fell short, as far as I am concerned, is the timelines. Because the pandemic was over, you know, we do not want to reach a stage where, two years down the line we are still thinking about those very, very important plans that you have put on the table. So that this—I do not want to call it a shopping list, but it certainly shows that some thought went into it. But you know, we are concerned about the actions after the thought.

So that when you talk about the budget allocation of \$3 million identified to establish a trade facilitation office in Panama and Dominican Republic, and you are talking about a hundred firms, have they been identified? And what is the estimated time frame for establishing the trade offices in Panama and the Dominican Republic? And time frames would have been useful for a lot of the plans that you have put forward for us to look at.

Mr. Alexander: Thank you, Madam Chair. Yes, and maybe in our written submission it was not as clear as it should have been. The timeline for the entire EBI project was a very short one. It is a 12-month programme actually. So all those activities that were listed, the intention was to start and complete, well, not necessarily complete but start and execute, to the extent that we obtain results within a 12-month period; the end target being in the first year of the programme to increase exports by at least 10 per cent from our 2019 rate and to continue the work of this EBI programme further, where we could be able to double exports by 2024.

So, I take the point that yes, immediate results are needed and the intention has always been to obtain those immediate results with some of the programmes. We have been having some success in a lot of the initiatives. We are about to commence, recently, if I could focus a little bit on the trade facilitation office and trade attachés. That activity is one that, where we have completed a lot of work in the establishment of that. We are basing our establishment of that TFO on an existing arrangement where we have a lot of experience with the trade facilitation office in Cuba. So, a lot of—there would not be much reinvention of the wheel, so to speak. So we would be able to get those arrangements running pretty quickly.

The timeline for that has been delayed a bit, because of another initiative, another related initiative, where there is consideration for the establishment of a trade and investment promotion agency, which would have some impact on the whole trade promotion initiative of Trinidad and Tobago. The establishment of this trading investment promotion agency is currently before the Cabinet, a special committee of Cabinet, and the outcome of which we are kind of awaiting to be able to get our direction as to how we proceed. But we are in a position to execute once a final decision is taken. So for that one, I can offer that as one of the reasons why we kind of delayed.

For the other projects, the Ministry and exporTT is working hand in hand along with the TTMA to execute as quickly as possible many of the projects that we have listed. We have a steering committee that meets every month to monitor progress and to look at project proposals to get it up and running and identify logjams and remove hurdles, and so on. So, there is an energy within the Ministry and exporTT and all those involved to push the EBIS as quickly as possible, keeping in mind the need for a quick turn around and results.

Madam Chairman: Well, I thought, you know, the energy was moving along quite well, you know. Because I had occasion to find out about the South-South Initiative and I realized a lot of work was going on here. But when you read here, it sounds as though things are now starting, now going to establish in Panama and Dominican Republic. You are going to establish this and things; a lot of futuristic things, when I know that a lot of trade is going on with

the south already. So you confused me a little, eh.

Ms. Lutchmedial: Madam Chair, may I ask another question with respect to this trade promotion—export promotion initiative, please? Specifically, I want to ask about the virtual trade missions. Now, of course, this enquiry is really about the MSME sector. So I just wanted to find out, with respect to these virtual trade missions and the expectation—I think you all have identified about 120 firms, are you specifically focusing or giving any consideration to firms within that MSME sector? I know you said they must have export capacity. That is one of the criteria included in your table. But are you offering any assistance specifically and trying to include or making any special effort to include the MSME businesses in this 120 firms that could benefit from these virtual trade missions?

Mr. Alexander: Madam Chair, I will invite Mr. Harrypersad from exporTT to respond.

Mr. Harrypersad: Sure. Thanks, Neville. So we would treat each market in a particular way. So we do have the Caricom market. That is our largest market for our exporters, as well as the US and they are also extra regional markets that might be a bit more difficult to navigate. So, we find that a good entry point for some of these smaller exporters or manufacturers now getting into exports would be those Caricom markets. And thus far, we have had virtual missions conducted in both Jamaica and Guyana that would have allowed them the opportunity to meet with potential buyers and determine if business could be done.

If we are doing a more sophisticated market that requires higher import requirements, like say the US, if you are exporting food and beverage products to the US, you might require to be compliant with the Food Safety Modernization Act, which requires HACCP and it is much more expensive to attain those things, may require infrastructural changes, which we do offer support to. But it may not be the first port of call for a manufacturer, depending on what you are producing as well. Because we have seen instances where you have global companies who are able to manufacture niche items and surmount the necessary import requirements and get their products into market. That being said, in virtual trade missions we try to always put forward our best companies, those who are export-ready. Because at that point in time, in the business to business meeting, you have a buyer who is interested in buying from you. So if they say, “Okay, I need two or three containers next month”, those companies who are attending the meeting need to be in a position to say, “Okay, I can deliver”. And some of our SMEs, that is not possible.

There are possibilities, in terms of meeting with distributors of multiple products to negotiate the consolidation of a shipment. So, many of the smaller companies are able to put together a container and ship that across. And we have an excellent example of that, recently, where we worked with one of our local companies who has—not local companies, a distributor, a Chinese distributor from Trinidad and Tobago, the First Caribbean Marketing Company Limited, who was able to negotiate an order for six or seven of our manufacturers to Shanghai, China, a buyer across there. So, those possibilities do exist. However—yes.

Ms. Lutchmedial: Okay, so what I am getting from you is that it is basically just—

Madam Chairman: Please, Mr. Hosein had his hand up for a while now. So, I would like to recognize him, please.

Mr. S. Hosein: If I may Madam Chair, if Ms. Lutchmedial has a follow-up to her last question, I could allow her and then I can start my round of questions.

Ms. Lutchmedial: Thank you. Yeah, could you just tell us? Because you said it is just basically easier for the MSMEs to be marketed through the Caricom region, because of the export requirements.

Mr. Harrypersad: Yes.

Ms. Lutchmedial: Could you tell me, in terms of the virtual trade missions that you had in the Caricom region, how many MSMEs would have participated in these or benefitted from these virtual trade missions?

Mr. Harrypersad: Okay. So I could tell you how many companies; I would have to probably submit in writing how many of those would have been MSMEs. Okay. So with respect to Jamaica, that was, I think 19 companies would have participated in that. And in Guyana, a similar amount, I think 19/20 companies would have participated. And I could submit in writing the companies.

Ms. Lutchmedial: Yes, I would appreciate yes, if you could break down for us and just tell us in writing how many were actually falling within the category of businesses that we are examining here, in the MSME sector.

Mr. Harrypersad: Sure. No problem.

Mr. S. Hosein: Thank you, Madam Chair.

Madam Chairman: Mr. Hosein and then member Scotland.

Mr. S. Hosein: Thank you. Mr. Alexander, I just want to find out from you basically the issue regarding forex because you said that there has been an increase allocation of forex to the EximBank. Now, there is still some concern with the business community with accessing forex. There is one membership shopping, a large membership shopping company which indicated that they were having difficulty, and that was during the pandemic. I think it was in April or so, that they were having difficulties with accessing forex, which means that they could not have purchased the merchandise they would have ordinarily purchased, therefore there is lack in terms of sales from their company. We had several other persons in the public complaining of the difficulty to access forex. In particular, I saw one article

from the Trinidad *Express* where a businessman, I believe, was saying that the local shipping and airline agents are refusing TT currency on freight charges and the freight charges must be paid in US, and if they do not raise the US, then they would now have to pay additional charges until their shipment is cleared. Can you confirm if that position is in fact accurate, please?

And secondly, can you indicate how, for example, the EximBank is allocating the forex, the US dollars? Because there have been concerns that there may not have been an equitable distribution of forex, in terms of the private sector?

Mr. Alexander: Thank you, member. Madam Chair, with respect to the first part of the question, I am not in a position to verify in terms of the payment in TT dollars or so. I will not offer to say definitively one or the other, if that is the case. What I could speak to, with respect to the allocation of foreign exchange and how it is done by EximBank. From what we understand, Madam Chair, is that there are basically two categories of recipients that the additional foreign exchange is targeted to, one being manufacturers. And this is for the purchase of raw materials, and so on. The understanding being that the manufacturing sector plays a critical role in the economy and in terms of wealth generation, foreign exchange generation themselves. The foreign exchange is needed for manufacturing of goods and for exports. So the allocation would be directed to them in the first instance.

In the second instance, Madam Chair, the allocation is targeted or focused towards companies in providing food and pharmaceuticals. Those, as well, being critical areas in the economy that we would not want to have major disruptions in. So it is a very deliberate allocation arrangement, Madam Chair, for critical sectors. Not all business activities would qualify based on that arrangement. So this may account for some of the discrepancies that are being noticed, Madam Chair.

Mr. S. Hosein: And in terms of the allocation—so if I am to get this correct, there would be an allocation of forex to the EximBank and there will also be allocation separately for the commercial banks where their customers would be able to access the forex?

Mr. Alexander: Those arrangements to the commercial banks, I think Ministry of Finance may be best able to explain those.

Mr. S. Hosein: Okay.

Mr. Alexander: But from trade's perspective we focus on those for the EximBank on trade matters.

Mr. S. Hosein: Okay. Well, when we get to the Ministry of Finance, I will then raise those issues.

Madam Chairman: Member Scotland, are you there?

Mr. Scotland: Yes, Madam Chair, I am here. Please do not move on, please. Madam Chair, I am at page 10 of the submissions under rubric No. 3, Ministry of Trade and Industry's responses. Madam Chair, through you, I have seen here that it was answered in the affirmative that the Ministry is adopting initiatives aimed at developing and assisting micro and small enterprises in penetration of overseas markets.

Madam Chairman: "Um-hmm."

Mr. Scotland: But Madam Chair, you would appreciate that the penetration of certain key markets will generate foreign exchange, which everyone seems to think is in demand. What I want to know is: What is the focus from the Ministry on assisting the MSEs in targeting specifically markets that will enable these SMEs to penetrate those markets, earn the much needed forex, instead of depending on getting forex in order to create the business? Madam Chair, that was clumsily put, but I know you can distill that in a way that is—or has my question been understood?

Madam Chairman: I am sure that they have understood you and will respond.

Mr. Alexander: Thank you, Madam Chair. I think I get the gist of what the Committee member is asking. To reiterate, I think the question is: How do we target the markets to help the SMEs in particular? What I can say, and I will invite—

Mr. Scotland: No. But more importantly, to generate.

Mr. Alexander: To generate the foreign exchange.

Mr. Scotland: So instead of they relying on the EximBank, they say, "we need, we need", they are generating that, so they have their own money. They have their own foreign exchange which their businesses have generated. So they can themselves be self-sufficient in foreign exchange by business.

Mr. Alexander: Yes, yes. Thanks for the clarification, yes. There is a whole suite of activities all aimed and targeted at helping MSEs and local businesses to export; export accelerators which we would be targeting new people who have not maybe exported much before but we want to get them to export. And when we say export, we understood that to mean foreign exchange earning as well. And we have a whole list of things including helping them with market research, and so on. But I will let Mr. Harrypersad expand on that. He works directly on those matters. So, Mr. Harrypersad.

Mr. Harrypersad: Thanks, Neville. So yeah, I think there is an equation here with respect to the forex because we do have to purchase inputs for a lot of what we manufacture to ship out. And then it depends on the business model

of companies. A lot of our exporters, they also sell domestically as well. So, I mean that has to be worked out because you are buying raw materials for both domestic sales and exports, but you are paying the US dollars going out and then you are earning a fraction of it, in terms of the exports that you sell. So I think—

Mr. Scotland: Yes.

Mr. Harrypersad: So that is a key thing that needs to be looked at with respect to the business model. Because if we look at markets going out, we could identify the best markets for products. The data is out there. You could see what is growing in demand for different products. We could look inside the market to determine how competitive we are, in terms of pricing, who the distributors are and line you up. But if part of your business model is that local sales are important to you and exports may not be as desirable in certain markets where there are opportunities because there are certain investments involved. I mean, we have had certain circumstances where a company may have preferred to expand operations domestically because the costs of the investment to get and meet certain import requirements were too high, given all the support that exporTT and the Ministry of Trade and Industry provides. So, I think that is the key question in mind.

I think our role as exporTT and the Ministry of Trade and Industry is to show the importance of export markets and the earning potential of it. Because, in some cases, you are offered a much higher price, depending on the type of your product. Some of our products like—a beer here is just a beer. Somewhere outside it is a Caribbean beer. It fetches a premium price and there is someone that would pay more for it. Chocolates is another example. We have high quality chocolate utilizing Trinitario beans. You sell it in Trinidad, you get a fraction of what you could get if you sell it in a European market.

Mr. Scotland: So Madam Chair, it leads to my—maybe Madam Chair, this question ought to be answered in writing. Because this could present a template for our SMEs to launch themselves or focus more on enterprise that will enable them to earn more foreign exchange and thereby not depend on our forex. So maybe, Madam Chair, through you, I can ask for that in writing. And Madam Chair, through this Committee, we can divulge that out to the SMEs because that is very important Madam Chair. Madam Chair, may I suggest this please?

Madam Chairman: Yes.

Mr. Scotland: That is my first.

Madam Chairman: So that we can—you have something else?

Mr. Scotland: No, when you are finished Chair, I will go to my second, sorry.

Madam Chairman: All right. So that I would encourage the production of the information to be sent to us in writing. And you have another?

Mr. Scotland: Yes please, Madam Chair. I have looked at the submission. I am not seeing the focus on demographics. Has the Ministry given any consideration of specifically targeting young people and people now coming out of the universities to gear them towards more business enterprises, instead of working for somebody, working for themselves and encouraging that sort of small and medium enterprise as it relates to young people who have the whole world ahead of them, but taking a chance and going into business?

11.45 a.m.

Mr. Alexander: Madam Chair, thanks again for that question. And yes, the issue of focusing on specific community categories of nationals and getting them more involved in business and trade has been considered by the Ministry of Trade and Industry. One of the first things that I can point to you that demonstrated this is we recently completed a new trade policy and strategy which for the first time in any trade policy in Trinidad and Tobago's history identified and made policy recommendations targeting women, the youth and disabled persons to get them involved in trade and business. We have in that policy indicated the intentions there and some of the ways in which we would be seeking to help promote those categories of persons more.

In addition to that, Madam Chair, Trinidad and Tobago also recently joined on to the SheTrades Initiative which was put on by the International Trade Center coming out of Geneva which in summary seeks to increase the participation of women in trade and business by providing support and training and coaching— business coaching to these categories of persons. Trinidad and Tobago is part of that initiative. We have already commenced a number of webinars and training sessions for individuals. I think I provided in the written submission some numbers to that effect.

We also have, Madam Chair, as part of—as a member of the Caribbean Export Development Agency, Trinidad and Tobago has benefited from a youth programme—a youth accelerator programme that was put on by IICA in collaboration with CEDA. This programme is aimed at developing the export capacities and competitiveness of the youth. Two companies from Trinidad and Tobago participated in that initiative as well and we imagine and anticipate that the programme would continue, and we would seek to encourage greater participation from our citizens and those initiatives. So those were some of the things in response to that initiative, Madam Chair, that we would like to highlight to the Committee.

Madam Chairman: Okay. Before we go on to the Ministry of Finance, I just wanted to refer you to your response where you stated:

With respect to the direct assistance grants scheme, a total of 14 firms from Trinidad and Tobago, representing the ICT, manufacturing, agro-processing, food and beverage, financial services, energy, and the culture and creative industry sectors were awarded grants totalling—

And you gave the total there but we do not have a breakdown.

I am not asking for you—asking you for it now but we do not have a breakdown of how much is given to the various entities and like, for example, culture and creative industries. And you would have read, I am sure, in the press about “Ro’dey’s” success and many—in years past, I know Oliver used to come in from Jamaica and make quite a bit of money, and I have been hearing about a revitalization or revival of *Turn of the Tide*, but there is a lot of money to be made because of—through our creativity. We could generate our own sitcoms here and export that and actually bring in foreign exchange. So what are you doing really to encourage people in culture and creative industries who are extremely creative and can make programmes even better than those that we pay millions of dollars to bring into Trinidad and Tobago, when we can do it ourselves? Any thought—any serious thought being given to encourage people who are creative in that way, so that they can generate to these kinds of programmes and export them?

Mr. Alexander: Thank you, Madam Chair. Yes, the creative industries is a sector that we have identified as one with great potential for the country for the reasons that—some of the reasons you have outlined, the creativity of our peoples. We have established a company, CreativeTT, which has been given the mandate to develop the creative industries and so they have developed a programme of work to help explore, identify and exploit the opportunities there. Three of the sectors that are in focus right now, we looking at the film subsector, fashion and music as some of the—three of the key areas that the Ministry is looking at. In terms of film, there are a number of incentives in place to encourage increased production of movies and films in Trinidad and Tobago, so there is a programme of work available to help develop those creative industries.

In addition to that, the Ministry is working within the Caricom region to develop regional services policy—development policy, and one of the services subsectors that have been identified is the creative. So where there are clear activities to help grow the sector—and we are doing it at a regional basis as well, in addition to the work that the Ministry is doing nationally. So in summary, Madam Chair, I could speak to those things but we could surely provide greater detail on what we are doing with the creative industries to the Committee.

Madam Chairman: I am very, very happy to hear that. There is hope. Member, Lutchmedial and member Hosein and then we go to Ministry of Finance. So try and keep your questions short and your answers short as well.

Ms. Lutchmedial: Yes. Thank you, Madam Chair. The Ministry identified in its response an allocation for building capacity in the form of innovation vouchers because, of course, innovation is a big part of being export ready. But I am looking at the criteria for persons and companies to qualify for these vouchers, and you have to show your export potential of the innovation. I am just curious, in the experience so far, how many of the MSMEs have actually been able to benefit from this innovation voucher programme? And, you know, if in your view, or the Ministry’s, or exporTT’s view, whether or not the firms belonging to the MSME sector really have the ability to show strong export potential without being able to access facilities such as this innovation voucher facility which is really a credit? Because it seems to me like a little bit of a chicken and egg argument. You have to show potential but you cannot show your potential—you have to show potential to get access to the line of credit but you do not actually—you cannot show that potential unless you have access to a line of credit, if you understand what I mean. So if you could just give us some more information about that. And what I want to find out really is whether or not this is feasible for the MSME sector specifically?

Mr. Alexander: Thank you, Madam Chair, I will just give a brief response and probably invite Mr. Harrypersad to respond—to add. The intention of the innovation voucher really is to really get companies just on the edge of going at a higher level to help them push forward and to—they may have a product that is quite successful locally or has the potential for greater success. And this initiative is really to help provide the assistance they need to do the kind of research on ideas for their product to get them where they need to go. It is at a very early stage so there is not in terms of involvement, but I will let Mr. Harrypersad expand more on the programme.

Mr. Harrypersad: Yes. Thanks, Neville. With this programme, we are also trying to get our universities more involved as well. A lot of money is pumped into universities with respect to like our students and building up those skill sets and knowledge base. So we see the innovation voucher as being a way into accessing these universities giving—well, identifying certain challenges that our manufacturing sector, small companies might be experiencing and allow them to have—to engage the universities and their various departments and expertise to solve those problems, whether it be in terms of their manufacturing processes or development of new products. So we have been engaging with the UWI Ventures who is an entity that was developed—it is headed by Prof. Gerry Brooks. And Prof. Brooks and his team are more or less that sort of access point to all things that are offered by University of the West

Indies with respect to all their departments and expertise. So we are looking—as Neville said, it is in the development stage with respect to how this thing works but we want to be able to put our manufacturers in contact with our universities so that they can access the solutions but, at the same, time, build up the capacity of our students to develop these solutions. And we have found through our research that these solutions could actually be products in their own right that then could be commercialized as well. So those are the potential synergies and the possibilities that we believe can be had with respect to the innovation vouchers. A lot of it was borrowed with what was existing. We have looked to organizations like Enterprise Ireland who has already implemented such innovation vouchers with success.

Mr. Alexander: And if I may, if I may—

Madam Chairman: Thank you very much. “Um-hmm”.

Mr. Alexander: Madam Chair, if I may just come in—

Madam Chairman: Yes.

Mr. Alexander:—right. A little more context, in response to the Committee’s—the member’s question. To be clear, the innovation voucher programme is part of the EBI and which has a very aggressive export intention behind it. We want companies really to be able to, after receiving all the different types of support that is provided there, to export. And so, when we are looking at companies to work with under the EBI, including for the innovation voucher, we would want companies where we have something to work with, something that we see there is this potential to go forward, so we would ask or it would focus on a certain type of company. For those companies with good potential at that different stage in the spectrum where they may be coming from a new business entity at one end and the exporting company at the other end of the spectrum, you know you have companies in somewhere in between. For those companies that are more leaning towards the beginning stage, there are programmes that would provide them that type of support in terms of innovating certain products. But for the EBI, because we are so aggressive with the exports, we would look for certain things from the company to work with them and so this is why the criteria may look as how it appears. So just to provide some context as to why it is and how it is.

Madam Chairman: Thank you all. Now may we go to the Ministry of Finance.

Mr. S. Hosein: Madam Chair, just one—I know you had acknowledged me previously for the Ministry of Trade, if I may crave your indulgence?

Madam Chairman: Very well, member Hosein.

Mr. S. Hosein: Two very short questions and one has to do in particular with the concern that you have raised with respect to culture and—

Madam Chairman: If you skip the preliminaries and just go straight into the question.

Mr. S. Hosein: Sure. In terms of the cultural aspect, there is one of the world—there is probably one of the biggest events in the world which was the Dubai Expo 2021, where countries were given the opportunity to have pavilions to showcase the talents and the sectors of their country. Can you indicate whether or not Trinidad and Tobago participated in the Dubai Expo 2021?

Mr. Alexander: I will invite Mr. Harrypersad.

Mr. Harrypersad: Yes, we are participating at the Dubai Expo. We do have a pavilion there and that expo runs from October to March. On March 11th, we have our national day which features a cultural performance and a parade which we are currently developing to ensure that we have a good showing for that particular event.

Mr. S. Hosein: Okay. And the second very short question, maybe this can be provided in writing. At page 22 of your response, you indicated the launch of the \$500 million agriculture stimulus package. Can you just give us in writing a breakdown of how many of the farmers would have accessed this particular \$500 million grant? How many accessed it? How many applications are still pending? And how many were denied? And some of the reasons why they may not have been able to access the funding so that as a committee, we could make recommendations.

Mr. Alexander: Thank you—

Madam Chairman: Yes. If it is not under your portfolio, you can just say that.

Mr. Alexander: Yes, I was about to say that. It is really under the Ministry of Agriculture. We provided that information in response to the Committee to give a holistic picture of what was being done. But it is really a matter of, I think—best placed with the Ministry of Agriculture.

Mr. S. Hosein: Okay. The only reason I raised it is because it was on the written response.

Madam Chairman: Thank you. Let us move to Ministry of Finance. Thank you very, very much, Ministry of Trade and Industry. We worked you very, very hard. And he nods in agreement. Mr. Alexander, thank you. So let us begin our questions with the Ministry of Finance. Without you, there can be nothing. So we have not left you for last because you are the least important but because you are the most important. You hold the purse strings so let us hear from Ministry of Finance. Begin the questioning, please. Who goes first?

Mr. Gonzales: Madam Chair, may I? I just want to ask the representative of the Ministry of Finance if they can give us a clear indication or an idea as to the challenges that the Credit Union Movement faced in disbursing grants to

businesses that have been impacted by the COVID-19 pandemic? Because from the preliminary information that we have is that the sum of money that was made available to the credit union movement to offer support to their members, there was not the level of uptake from the members with respect to their respective credit unions and I was just wondering whether or not the Ministry of Finance can give us an idea as to what are the challenges faced by the credit union movement in giving the support to their members?

Ms. Neemacharan: Madam Chair, thanks for the question but at this time we would want to provide that particular response in writing to the Committee.

Madam Chairman: Very well and as soon as possible, please.

Ms. Neemacharan: Yes, Madam Chair.

Madam Chairman: And perhaps you can tell us the factors which are inhibiting business continuity for the micro and small enterprises?

Ms. Neemacharan: Thank you again, Madam Chair, for the question and I will ask our Director to answer that one, Ms. Zephyrine.

Ms. Zephyrine: Good morning, Madam Chair, and members of the Committee. One of the relief measures offered by the Government to assist the SME during the COVID pandemic was the small—SME loan guarantee programme. That programme was conceptualized some time in May of—March of 2020 and was approved by the Government to be rolled out via the commercial banks and by extension, to be administered by an administrative agent at First Citizens Bank. To date, we have 272 of those banks accessing the facility—272 SMEs, sorry, accessing the facility and we do have quite a number, about 230, who were unsuccessful. It means, therefore, that there was some challenges that were obvious and probably overwhelming.

So some of those challenges were the inability of the borrowers to meet their statutory obligations, namely the payment of their BIR and VAT and their employees' NIS. Also, the banks who were unable to meet credit worthiness criteria and also their debt service ratios, it was difficult for them to meet those ratios. Following the disbursement of the facilities for that, I will call phase one of the SME loan guarantee programme, we would have reviewed the programme and decided that there is something that could be done to boost the uptake for the SMEs. And we would have revisited the challenges and decided that in a phase two of the programme we would seek to address it, thereby reducing the stringent requirements as it were which inhibited the uptake on the programme. I do not know if that would address the member's question on the challenges?

Madam Chairman: So let us go to member Hosein then. You are fine then, thanks.

Mr. S. Hosein: Thank you very much, Madam Chair. So I want to just zero in, in terms of the facilities that would be available to these SMEs with respect to the loans that would have been processed through the commercial banks. Now, we heard earlier on from NEDCO that the—in order to access the loans, sometimes the business does not even have to be registered when the application has started. Can you confirm the loans from the Ministry of Finance's side, whether or not the businesses have to be registered?

Ms. Zephyrine: The programme is opened to all businesses, not only incorporated businesses but individuals, partnerships and the like. So the answer is all the businesses do not have to be registered if you mean incorporated.

Mr. S. Hosein: So no, I am asking about registered in terms of filing your necessary registration documents with the Registrar General. So, for example, a sole trader will still have to register, a partnership will still have to register, a company will have to be incorporated. So is it that you are—according to NEDCO, even if you were unregistered, you will be able access the loan? I am asking from the Ministry's side whether or not the business had to be registered to access the loan.

Ms. Zephyrine: From the Ministry's side, the SME loan programme has some basic requirements that have been put in place by the banks one way and by the Ministry, the Government by extension. And the borrower is required to provide a number of warranties in order to qualify. They have to provide the applicable lender annual audited or management financial statements within 60 days of each fiscal year. They have to provide semi-annual unaudited financial statements to the borrower within 60 days of the semi-annual days, and any other financial and operating statements and reports as and when the lender may reasonably require. Those financial covenants are preconditions for accessing the loans.

Mr. S. Hosein: Okay. So am I to take it that in order for the persons to—so after the money is disbursed to the borrower, the funds will be released by the bank to the borrower and therefore, there will be some auditing that has to take place and the borrower has to account for the money. And if I am to understand that it is a controlled disbursement, so the bank would not give all of the money at the same time but you have to show the necessity that you need the money. Is that true?

Ms. Zephyrine: Yes. And it is not only to show it. There is a monitoring that you use the money for the purpose for which it was given.

Mr. S. Hosein: So, on the one hand, NEDCO is saying that there should be no—there is no accounting for where the money was spent but on the Ministry's side, if you are accessing this particular facility, you have to show accounting.

Ms. Zephyrine: Yes, there are two different facilities and on the Ministry's side it is clear with respect to our arrangement with the bank that that is an absolute necessity.

Mr. S. Hosein: And with NEDCO you do not need to provide the statutory obligations in terms of the payment of taxes but with respect to the Ministry, to access that funding, you need to meet all the statutory obligations.

Ms. Zephyrine: I do not want to speak for NEDCO in that way, member. But what I can say is with respect to the SME loan guarantee programme, during this phase one period, which is before we would have looked at the challenges, you were required to submit all your statutory obligations up to date. When we realized that uptake was not optimum, we would have relaxed those requirements and we would have asked the SMEs to submit their statutory obligations up to the end of 2018, financial year 2018. We however put in that they are supposed to bring those obligations up to date within one year, and those obligations would be in respect of 2019 and 2020, within one year of having received the loan or make an arrangement with the authorities which would be the Board of Inland Revenue and the National Insurance Board to have the outstanding obligations settled within two years of having received the loan facility.

So we would have been stringent in phase one requesting that your statutory obligations be absolutely up to date, we would have relaxed that for phase two to take into account that the uptake was not as optimum as we would have liked it in terms of the SMEs accessing the facility but we do have the requirements to have your statutory obligations up to date embedded in the loan facility.

Mr. S. Hosein: So, Ms. Zephyrine, if—so the first phase, they had to provide financial statements up until, I believe it was six years previous to the date of the application? How far back you had to go to provide—

Ms. Zephyrine: I would need to confirm that with the banks because that was not a requirement in the documentation with the agreement. The requirements in the documentation speak to banks applying their normal lending criteria, plus whatever we would have put on the side of the Government in order to justify the provision of the collateral and the guarantees to these facilities.

Mr. S. Hosein: Okay. All right. Thank you very much.

Madam Chairman: Member Lutchmedial and then member Rambharat.

Ms. Lutchmedial: Hi, thank you. I am specifically getting back to the SME—this is about the SME loan facility as well. I think they reached the—apart from documentation, the requirements were also relaxed in phase two with respect to the amount of revenue that you earned as well as the—yeah, I think there was a movement downward, initially there was something like a \$6 million threshold. And what was the original thinking and criteria used in order to set that bracket of 6 to 20 million and then, you know, it has dropped drastically—the minimum threshold is something like \$500,000. I assume that had to do with the uptake as well but you could clarify for me and also clarify the minimum employee requirements as well. What was the thinking behind it? What was the, you know—what really was the rationale for that criteria being set?

Ms. Zephyrine: Well, with respect to the minimum of five employees, when this SME guarantee programme was conceptualized, it was in discussion with the Central Bank and we would have had input from the commercial banks and the population and the—what the banks would have viewed as SMEs ready to access this particular facility would have informed some of the decisions made with respect to size of SMEs on the threshold because that information would reside among the banks in respect of their customers so to speak. So that would have informed those thresholds. However, when the phase one was rolled out and all matters were considered, it was deemed that those thresholds should be shifted to facilitate greater uptake on the facility.

12.15 p.m.

Madam Chairman: Thank you. Member Rambharat, please.

Mr. Rambharat: All right. Thank you very much. There were several facilities offered by the Ministry of Finance, could you say what was the total amount made available to SMEs by the Ministry of Finance via the various facilities, one; and two, could you give us some details on how the allocation to trade unions ends up being disbursed?—credit unions, sorry.

Ms. Neemacharan: Madam Chairman, at this time we also do not have the answers to those two questions, would we be able to provide that as well in writing?

Madam Chairman: Very well. We look forward to receiving it at the earliest opportunity.

Ms. Neemacharan: [*Inaudible*]

Madam Chairman: May I now have—yes—Member Gonzales, will you proceed, please?

Mr. Gonzales: Thank you very much, Chair. Chair, for the benefit of the listening and perhaps viewing audience, I just want to ask the Ministry of Finance representatives, especially following up from member Saddam Hosein's questioning or his line of questioning where an attempt was being made to compare the administration of the SME

loan facility by the Ministry of Finance as well as the—compared to that of the Entrepreneurial Relief Grant facility being administered by NEDCO. And I do not know if the Ministry of Finance being responsible for the administration of finance in the country, for the benefit of the viewing and the listening audience, give an explanation as to the differences or the main difference in the both grants.

Madam Chairman: Could we have a response?

Ms. Zephyrine: Yes. The Entrepreneurial Relief Grant is a grant which was provided—sorry, is it the NEDCO grant or the credit union facility?

Mr. Gonzales: No, the NEDCO grant. So a comparison was being made with respect to the administration of the Entrepreneurial Relief Grant being administered by NEDCO and the SME loan facility being administered by the Ministry of Finance. And, Chair, I do not know if Mr. Calvin Maurice from NEDCO can also come in to give some clarity because I myself would need some clarity on that.

Mr. Maurice: Thank you, Chair. The NEDCO relief grant, as I indicated earlier in our discussion, is one to treat with loss in the business and from our standpoint we wanted evidence to show that, one, the business existed; two, that the business existed during the period in which COVID—there was an impact in COVID; expenditure would have been made based on the expectation of business activity during the period where COVID impacted the economy and in that regard the loss occurred. And so therefore NEDCO was more in a way of providing that social support to the entrepreneurs to make sure that they recover and it did not take into consideration the future sustainability in a sense because the loan arrangement—and I would just put it in my way—that the Ministry of Finance would have had in the various guarantee programmes would have taken the SMEs further and in terms of sustainable business. But we wanted to ensure that what loss would have been recovered.

Madam Chairman: So you are saying—

Mr. Maurice: So in that instance an examination of their taxes or examination of their accounts would not have been our primary focus, simply that the business existed and the evidence of loss would have been identified.

Madam Chairman: So it is just a question of recouping the losses once you can prove them?

Mr. Maurice: Exactly so, Madam Chair.

Madam Chairman: All right. Thank you.

Mr. S. Hosein: I just want one immediate follow-up with this and it is based on what Mr. Maurice just said, because I am looking at NEDCO's—a document on NEDCO's website; it is an FAQ on the Entrepreneurial Relief Grant, and I am quoting from this and it says that:

Business owners can access up to \$20,000 to offset operational expenses, upgrade equipment, purchase inventory and finance repairs.

So NEDCO, based on what the information that they put out to the public, they are providing that grant for all of those items I just called out, but now we are hearing from Mr. Maurice that it is only to offset losses. So I do not know, Madam Chair, what we should rely on, what NEDCO put out or the oral evidence that we are receiving this morning, because it is quite inconsistent with respect of how this grant and the criteria for the disbursement of this grant.

Madam Chairman: Well, they are here now so maybe they can clarify it on the spot.

Mr. Maurice: So, as I said, we hold the position in terms of loss in regard to the entrepreneur; operational expenses again in terms of loss as it relates to equipment. So therefore we would provide the further documentation if required to explain that element of the requirements as in terms of the disbursement of the grant, but certainly the primary focus of the grant is to recover loss. So that is NEDCO's position with regard to that area.

Madam Chairman: I think what we are looking at is the, you know, accountability and we are pleased to hear that relief is being granted, you know, to some people but we just want to be sure as to the aspect of accountability and if everything is in place to facilitate, because at the end of the day you are always looking to see the effect of whatever you do on the economy as a whole and that everything is done in a proper manner. Member Rambharat, you had a follow-up question or a new question for us?

Mr. Rambharat: Thank you, Chair. I hope that I am being heard, there is a severe shower. [*Technical difficulties*]

Madam Chairman: You seem to be breaking up, member.

Mr. Rambharat: It is really the rain might be interrupting the sound. Can you hear me?

Madam Chairman: There is a suggestion that you can take the video off and see if that will help, not that we want to lose you but, you know, at least if we can get the voice.

Mr. Rambharat: Is this better?

Mr. Gonzales: Yeah, much better.

Mr. Rambharat: All right. Thank you. There is a severe shower taking place. Now, I just want to go back to my question and make the point that—[*Technical difficulties*]—the officers before us did not give an indication of the total value of the support made available by the Minister of Finance, but when I look at just four of the facilities it comes up to half a billion dollars and that is just four of the facilities. And I could make the point that it is not for lack

of support being provided by the Ministry of Finance, the SME support was \$268 million; the entrepreneurial support was \$30 million; there were two credit union facilities—[*Technical difficulties*] But I just want to go back to the credit union question and I am quite surprised that in the context that—[*Technical difficulties*]—one of the hundred million facilities made available to the credit unions with the intention of providing support to their 300,000 members who may have suffered loss of income or loss of business that from what was submitted by the Ministry of Finance, I am seeing that in one instance, one period only 544,000 was disbursed and another period only 126,000 was disbursed.

So it means that out of a possible facility of \$100 million, the credit unions only accessed less than \$1 million. I wanted to know if the officers who are before us can give us any information on what accounts for that less than 1 per cent uptake of such an important facility?

Madam Chairman: And perhaps in answering the question if you could indicate, although this is up to December, if you have any indication that things have changed to date because I can just think—even if you talk about one credit union that that 11 could not be a figure, a credible figure. So perhaps you could, you know, maybe that first period something happened and then things—so if you can give us that information because it seems incredible.

Ms. Neemacharan: Thank you, Chair. I would have to submit that particular response in writing.

Madam Chairman: Without giving us exact figures, we have here 11 loans approved between June to December, 2020—I thank you for the offer to submit in writing but I am asking you now, from your information can you say that that figure has moved far away from that 11 initial figure, just from your own knowledge of what is before you now without specific numbers being furnished to this Committee?

Ms. Zephyrine: Madam Chair, the total number of loans for the credit union emergency income loan facility is 75. The arrangement for the disbursement of those loans are the credit unions would lend and seek a reimbursement from the Ministry of Finance. The disbursement of the 75 loans are in two different categories as it were in the sense that 64 of those loans totalling \$544,000 have already been reimbursed to the credit unions.

Subsequent to that reimbursement it was necessary to put in place some amended agreements to extend that facility to the end of December 2021, and the 11 loans that were subsequently issued were subsequent to those 64 and those are yet to be reimbursed. So I think the figure is not 11 in total, it is actually 75.

Madam Chairman: But you have here June to December, 2020, you know, do you mean June to November 2021? I mean, you know, that figure—I am still confused because you are talking about December 2020. That period you just gave us is what period where you say you have 70-something now?

Ms. Neemacharan: As at the end of the 2020. [*Technical difficulties*]

Madam Chairman: All right. So we will request an update from your submissions, yes? And we look forward to that. Thank you very much. So, member Gonzales followed by Member Scotland, please.

Mr. Gonzales: Thank you very much, Chair. Chair, what we have been hearing from the various state agencies before us, especially the Ministry of Finance, it should not be lost upon us as a committee that the Government has gone out of its way to make hundreds of millions of dollars available to various sectors in the society by way of support during a very difficult time in this COVID-19 pandemic, especially to support small businesses to get out, you know, of the difficult situation that they have found themselves in. So over half a billion dollars were made available to support these small businesses but what is very clear to us is that a number of these businesses, hundreds of them are operating in somewhat of an informal sector whereas they are unable to provide management accounts, audited financial statements, et cetera, to access the hundreds of millions of dollars being made available to them. And it suggests to us as a country that perhaps we need to have a programme to bring these small businesses into a more formalized setting so that they can participate and get access to the support and the grants that this Government is making available to them. Because it does not make sense that you have hundreds of millions of dollars sitting in the Ministry of Finance, in the banks, et cetera, by way of support to this sector and they are unable to access it so as to move the economy forward and get people employed.

So we may have to look at ways in which we can assist those businesses to get their management accounts settled, to submit and have their businesses registered so that they can get access to the support that this Government has provided to them.

Madam Chairman: Mr. Maurice, would you assist in responding to that, NEDCO's point of view; your role in all of this?

Mr. Maurice: Madam Chair, thank you. NEDCO has started the process through the grant—disbursement of grant where part of the requirement would have been the registration of the businesses. So at the end of the day we would have those persons who applied for grants being registered and forming part—being part of the formal system. Other than that NEDCO will be working together with all stakeholders to engage these small micro-businesses who are not registered, who are not part of the system in terms of reaching out to the communities, doing various forms of data collection to determine where they are, what sectors are impacted by this problem and we will be going out in terms of putting a system in place to increase business registration.

Madam Chairman: And since we have the Ministry of Finance here perhaps some official can explain what happened with taxpayers' assistance, you know, because we are hearing a lot about the taxes and so on, why was that discontinued? When I asked the question I was told that the people are not clamouring for it, but certainly that was a facility that was widely used, why was it discontinued? Why is it not happening now?

Ms. Neemacharan: Madam Chair, I will attempt to provide that—it is a question that may require some input from the Board of Inland Revenue, but we have introduced the online tax payment return system and it was hoped that that would alleviate some of those difficulties that taxpayers would have had.

Madam Chairman: But, you know that sometimes the online increases the difficulty and not alleviate the difficulty. You know, so you really need a physical presence there for people to get the assistance, especially people who are trying with a small business. So perhaps you could look at that, then just transfer it to online where you find that people are complaining about a lot of the things that are happening online, you know, they do not have access to computers, some of them; the very people you are trying to target are the very people who cannot access these new things that you put online, you know, that you put in place which are supposed to assist them. So always think about the people you are targeting and what their needs are to see whether in fact you are meeting those needs. Member Hosein.

Mr. Scotland: Chairman, you forgot me?

Madam Chairman: Member Scotland, I am sure member Hosein despite what was said earlier would defer to you and we will have you now.

Mr. Scotland: No, Chair, I thought—I am in your hands, whatever, once you have not forgotten me. I am good. I can wait.

Madam Chairman: No, you cannot be in—anyway, I will be serious here.

Mr. Scotland: Yes, of course.

Madam Chairman: I am—yes, you are in my hands. You are in my hands. The floor is yours, make use of it and then we will go to member Hosein.

Mr. Scotland: Thank you very much, Chair. Chairman, I am piggybacking both on your suggestion and member Gonzales' contribution and I confirm that I have not spoken to either of you with this question. Chairman, it follows, with all the incentives that have been included in this budget, but particularly focusing on such a critical time, what is the Ministry of Finance and NEDCO—what are they doing to reach communities so that the communities can benefit because these are beneficial incentives, Chairman? What are they doing to rural communities, east Port of Spain, San Juan/Barataria, which there are several entrepreneurs who exist in those communities?

What is being done to reach out because some of them, Madam Chair, do not listen to this programme, they do not listen to the budget; what is being done to tell them there is a tax holiday for the first five years after you list on the stock exchange or what is being done to reach those communities and the persons who live in those communities so that they can access the benefits of these projects? And my second question is, as it relates, Madam Chair, to the economic activities, what measures are being taken to simulate economic activities amongst the SME sector during this period and post-COVID? Those are my two questions, Chair.

Madam Chairman: Mr. Maurice.

Mr. Maurice: Thank you very much.

Madam Chairman: I see you are raring to go.

Mr. Maurice: Thank you very much, Madam Chair. So I thank the Committee for that question because just a matter of about two weeks ago we started—well, we continued in that vein in terms of having the micro-entrepreneurs truly understand the budget and what they can access with the budget. In the first instance we used the digital platform in terms of a webinar and we used that in concert with TIC that NEDCO was a major part of in explaining to the micro-entrepreneurs what the budget will mean for them and how NEDCO and other agencies can support them deliver their dream to sustain their businesses. But I also know the Committee may say, “Well, that is a webinar, that is digital, how do you reach down in the community?”—2022 will be a focus in terms of going out in the community, looking at different forms, whether we engage the community with mikes, to engage the community in terms that are relative to community and village life that they would understand, and this is a major, major, major area that NEDCO has been involved in.

In terms of the quantity of loans these micro-entrepreneurs could access, whether it is 20,000, whether it is 25,000, NEDCO is also revisiting the aspect of collateral, because one will say and know that at this time small entrepreneurs, persons in the villages, persons in the rural areas will not have collateral, the type of collateral. Now, we are also protecting the interest of the risk and that has to be balanced in a serious way in terms of NEDCO's mandate in terms of the loan arrangement. But certainly I want to really compliment the Committee in picking up on that vital, vital point in terms of reaching out to the community and taking the bottom-up approach in terms of entrepreneurial development.

So in the next 12 months, less now, I say, NEDCO will be looking in our fiscal activities for 2022 to reach and to give smaller loans, look at our collateral arrangement to bring in the sector in. And also one of our mandates in doing that will be to register these small businesses. So to access loans these small businesses will be required to register their businesses. So there will be an entire process in terms of engaging and developing these micro-entrepreneurs. Thank you, Madam Chair.

Madam Chairman: Thank you very much. You know you had me wondering if you were sitting in the right chair there, you know, but I would not say more. I would not say more but maybe there are—anyway, let us leave it there.

Mr. Scotland: Chairman, before you relieve NEDCO, can I pin him down to a specific time when he can say that we are starting from Beverley Hills because I will make myself available when they are reaching out to the community. I am specifically speaking about the constituency which I have had the distinction to represent because I want to be part of that, Chairman. I am available from January the 2nd.

Mr. Maurice: Madam Chair, through your good office, any member can approach NEDCO; any community group can approach NEDCO to get our support. We need their support as a matter of fact in reaching out in the community. So we need you more, I would say, to help us get into the community and to support the community. As I also said, there is a balance that must happen in terms of the loan—it is not a grant, giving loans to the communities. There must be a balance and we are looking at it in terms of the collateral arrangement and the relationship with the community groups and whoever gets involved in NEDCO to give that assurance in terms of persons repaying their loans and making their commitment in terms of sustainability, not only for them but for NEDCO as well. Thank you, Madam Chair.

Madam Chairman: I am sure you are going to be going into those community centres, you know, and speaking to the community and you would be going around with your microphones and so on. So as you leave here over the—we are giving you a—we have no meeting in December and you would be setting out your programme of activities and proceeding on them. So when we meet again, either virtually, as some of you like to meet virtually or otherwise, we will have everything down on paper with the timelines and we would say, “Yes, this is what they have done. This is what they have done.” So—

Mr. Maurice: And, Madam Chair, some of your members may even say, “Yes, we walked with NEDCO in having that done in the communities”.

Madam Chairman: But of course, Mr. Maurice, [cela va sans dire](#)—[cela va sans dire](#). Member Hosein and then member Gonzales, yes? Member Hosein, are you hearing?

Mr. S. Hosein: Thank you, Chair. Madam Chair, I would have to be relieved a bit earlier as I have a religious obligation on a Friday. So after these two questions I will finish in terms of questioning.

Madam Chairman: Yes, we will all finish. We will all finish very, very soon. We are at the end of it. We just have five minutes and we are closing off.

Mr. S. Hosein: It goes back to the question of forex because I said I would have asked the Ministry of Finance earlier on. There is a percentage of forex that will be available to the EximBank for, as we heard before, manufacturing and for the acquisition of goods and supplies in relation to COVID and of medical supplies, food items. Can you give us an indication of what is the percentage of forex that is allocated to the commercial banks as compared to the EximBank in terms of a percentage?—because we still have a complaint from a lot of businesses who may not be involved in manufacturing that they are having a lot of difficulty in accessing forex from the commercial banks that has led to some of them having to close their doors during this pandemic; that is the first question. And the second question is for NEDCO, a member of the public reached out to me and just asked, can you give an average timeline for how long it takes to process one of the Entrepreneurial Relief Grants? And those are the two very short and succinct questions.

12.45 p.m.

Madam Chairman: And the response? I do not want you to be late, you know, Mr. Hosein. So you can even listen to it off premises, if you have to leave.

Mr. S. Hosein: I wish to be relieved. Thank you very much.

Madam Chairman: Until the next time.

Mr. Maurice: Madam Chair, is the response going to be based on order presented? If not then I would indicate in regard to NEDCO’s question, initially it would have taken a longer period. I would say as much as a two-month period in terms of processing of the entrepreneurial grant. Given the novelty in terms of how it was processed through an online arrangement, and the difficulty in terms of the initiative being new it took some time, and the processing of the grants took a longer period.

At this time, and as we finished the 30 million, it would have been a shorter period. Within three weeks the grant would have been processed. So, therefore, one example one would give, NEDCO in total, we had a total of over 5,000 applications. At the end of disbursement of the 30 million, we disbursed 3,500. So that is a good indicator in terms of the disbursement that existed, in terms of the speed of the disbursement. Thank you, Madam Chair.

Madam Chairman: Question from the public: Does NEDCO have any system in place to assist and guide SMEs through the tax, VAT and other state registration processes, and if it does not, will this be put in place?

Mr. Maurice: Madam Chair, yes we do. As we spoke about the business advisory programme, they can call into NEDCO and our staff, our officers will guide them through the various areas, and not only in terms of the statutory requirements, but other areas of business advisory as well. Thank you.

Madam Chairman: Next question. Does NEDCO provide free training for SMEs in financial management, tax filing, tendering for state contracts, et cetera?

Mr. Maurice: Of course, Madam Chairman. However, it is a mixed arrangement. It is a mixed arrangement. Some would be via free webinars and others would be low-cost training that the client would be required to pay to access some of these trainings. I want to emphasize, low cost in terms of the fee to access that training.

Madam Chairman: Low cost as opposed to free?

Mr. Maurice: There is low cost and there is free, you have both. Yes, so we have free webinars and we have low-cost training.

Madam Chairman: So your motto could really be for your organization, “We aim to please”?

Mr. Maurice: Aptly so, Madam Chair, exactly so.

Madam Chairman: Any further questions, or have we exhausted them all? All we can provide is a virtual lunch, I am afraid. So we can perhaps move now into final comments, brief closing comments from the chief officials of the various departments—brief, brief. So perhaps we can end in the opposite order which we began. So let us have the Ministry of Finance first, then Trade.

Ms. Lutchmedial: Madam Chair, I am just following up on one question before we end. I think member Hosein before he left he had two questions. One was a forex question I heard. I did not hear the answer to that question.

Madam Chairman: Ministry of Finance.

Ms. Neemacharan: Thank you, Chair. The question with respect to the commercial banks, forex that is made available to them from the Central Bank. That is done periodically, but the precise amount of percentage we would have to provide again in writing.

Ms. Lutchmedial: Thank you.

Madam Chairman: Thank you, and thank you member Lutchmedial. So we have Mr. Alexander—sorry?

Mr. Gonzales: Sorry, Chair, I do apologize, I did not raise my hand. But just to provide some clarity as a member of the Cabinet where the whole arrangement with the EximBank is concerned, for the benefit of the viewing and listening public. This facility, Madam Chair, was put in place by the Government of Trinidad and Tobago to help ease the forex situation in the country, but it is geared towards assisting those companies that are net earners of foreign exchange in Trinidad and Tobago.

For example, those companies that require raw materials, equipment, et cetera, and in order to boost their trade and earn foreign exchange in the country. So that those businesses or clients who may have challenges in accessing forex, in going through the limitations and going through the requirements through the EximBank, one of the things that they would have to satisfy is that they are net earners of foreign exchange. If they are not net earners of foreign exchange, then they will always have that difficulty in accessing it, because the EximBank facility is to ensure that those companies and those traders that are net earners of foreign exchange, that they get access to the necessary foreign exchange in order to boost economic activity in Trinidad and Tobago.

Madam Chairman: Thank you very much. Can we proceed to the closing remarks? Ministry of Finance, Mrs. Neemacharan.

Ms. Neemacharan: Thank you, Chairman. On behalf of the team, we are pleased to be here, and I know we have committed to provide some of our responses in writing. We commit to do so, and we also commit to take the necessary action that will come out of your recommendations as necessary. Thank you.

Madam Chairman: Mr. Alexander, please, Ministry of Trade and Industry.

Mr. Alexander: Thank you, Madam Chair, and thanks to the Committee for allowing us to address the matter of SMEs, and the issues being taken to help and support. Chair, in closing I would just like to encourage the listening public to approach the Ministry of Trade and Industry and exporTT for more information on the types of support and programmes that are available. They can also contact the Trinidad and Tobago Coalition of Services Industries who would provide support and assistance to service providers as well. Just to also indicate for those in Tobago, exporTT does have officers stationed there that they can approach as well, who would also give more information on all the programmes that are available. Thank you very much, Madam Chair.

Madam Chairman: Thank you. Mr. Hosein, Ministry of Youth Development and National Service.

Mr. Hosein: Madam Chair, members of the Committee, as we close I must apologize that during the course of the meeting, due to technical difficulties, I lost connectivity for a brief period. Nevertheless, I hope that the information provided by the Ministry and by NEDCO was useful in your deliberations, and I thank you for the opportunity to

appear before the Committee, and we do look forward to your recommendations. Thank you.

Madam Chairman: Thank you. All of you who appeared before us today, we thank you for your participation and for the enlightenment you brought to the several questions that we engaged you with. We also thank the members of the public for their questions, and we hope that we have brought clarity to a lot of the questions, and we are looking forward to the promises that we had being fulfilled to send us things in writing.

We thank the Committee members who participated remotely in this virtual hearing. Let us see what we will get next year. We have a break until January, as I said before, and I must thank the staff of the Office of the Parliament for their procedural and logistical support. To the viewing and listening audience, thank you for being with us. This is our last public meeting for 2021, and it behooves me to bring greetings.

But before I do, I would wish to let you remember, I wish to remind you, to follow all of the protocols, because you know that we are here and discussing this topic because Mr. COVID-19 has brought us here. So we have a responsibility and we must take that personal responsibility so that we can rebuild the economy, regain civil liberty. So let us work together by following the protocols for COVID to go away, so we can all live to see another day. So Merry Christmas all of you. See you all in 2022.

Mr. Gonzales: Same to you Chair, a Merry Christmas to you and a bright and prosperous 2022, and the same goes for all members of the Committee and the participants in this meeting.

Madam Chairman: This meeting is adjourned. Be safe everyone.

12.56 p.m.: *Meeting adjourned.*

VERBATIM NOTES OF THE EIGHTH VIRTUAL MEETING OF THE JOINT SELECT COMMITTEE ON FINANCE AND LEGAL AFFAIRS HELD (IN PUBLIC) ON FRIDAY, JANUARY 21, 2022, AT 10.05 A.M.

PRESENT

Mrs. Hazel Thompson-Ahye	Chairman
Mr. Clarence Rambharat	Vice-Chairman
Mr. Keith Scotland	Member
Mr. Marvin Gonzales	Member
Ms. Jayanti Lutchmedial	Member
Mr. Saddam Hosein	Member
Mr. Terrence Deyalsingh	Member
Mr. Julien Ogilvie	Secretary
Mr. Brian Lucio	Assistant Secretary
Ms. Terriann Baker	Graduate Research Assistant
Ms. Ria Rampersad	Graduate Research Assistant
ABSENT	
Mr. Hassel Bacchus	Member

TOBAGO DIVISION OF THE TRINIDAD AND TOBAGO CHAMBER OF INDUSTRY AND COMMERCE

Ms. Diane Hadad	Chairman
Mr. David Wong	Management Committee Member

TRINIDAD AND TOBAGO COALITION OF SERVICE INDUSTRIES

Mr. Mark Edghill	President
Ms. Vashti G. Guyadeen	Chief Executive Officer

ARIMA BUSINESS ASSOCIATION

Mr. Sudesh Ramkissoon	Second Vice President
Ms. Delicia Mohammed	Assistant Secretary

SAN JUAN BUSINESS ASSOCIATION

Mr. Jason Roach	President
Mr. Emerson John-Charles	Director, Public Relations

TOBAGO HOTEL AND TOURISM ASSOCIATION

Mr. Mike Walmsley	Director of Small Hotels and Guesthouses
Mr. Kirton Sorias	Director of Restaurant Sector

SANGRE GRANDE CHAMBER OF COMMERCE

Mr. Preston Sam	President
Ms. Giselle Lawrence	Research Officer

Madam Chairman: Good morning everyone. I would like to welcome all of you, the viewing and listening audience, to the seventh meeting of the Joint Select Committee on Finance and Legal Affairs. Well, it is the first meeting for the year so I suppose I can wish you all Happy New Year. Expecting another tumultuous year but we will see what happens. We are convening today the second public hearing. We started, if you remember, on November and what we are looking at is an enquiry into the impact of the COVID-19 on the micro and small enterprises sector.

Now, members of the listening and viewing audience, you are invited to participate in this enquiry by posting or sending your comments via the Parliament's various social media platforms: Facebook page, *ParlView*, the Parliament's YouTube channel and Twitter. So, I would like to begin by welcoming officials who are appearing before us today. We have officials of the Tobago Division of the Trinidad and Tobago Chamber of Industry and Commerce.

We have officials from the Trinidad and Tobago Coalition of Service Industries; from the Arima Business Association; the San Juan Business Association; officials of the Tobago Hotel and Tourism Association and from the Sangre Grande Chamber of Commerce, last but not least. We welcome all of you here this morning to this enquiry.

I am Hazel Thompson-Ahye and I am the Chairman of this Committee. And I now invite other members of the Committee to introduce themselves, please.

[Introductions made]

Madam Chairman: Ms. Lutchmedial is with us?

Ms. Lutchmedial: Sorry, Chair, I am juggling another hearing.

[Introduction made]

Madam Chairman: I will now invite members—officials to introduce themselves, starting with the Trinidad and

Tobago Chamber of Industry and Commerce, please.

[Introduction made]

Ms. Hadad: I am not seeing Mr. Wong who was online waiting for a while so I do not know if we can check into that, please. Thank you.

Madam Chairman: Thank you. Welcome.

Mr. Wong: Good morning. I am here. David Wong.

[Introduction made]

Madam Chairman: Welcome. Could we have the officials of the Trinidad and Tobago Coalition of Service Industries introduce themselves, please?

[Introductions made]

Madam Chairman: Thank you and welcome. Officials of the Arima Business Association.

[Introductions made]

Madam Chairman: Welcome. San Juan Business Association, please.

[Introductions made]

Madam Chairman: Welcome. Tobago Hotel and Tourism Association.

[Introductions made]

Madam Chairman: And last but not least, we go to the Sangre Grande Chamber of Commerce.

[Introductions made]

Madam Chairman: Thank you. I just want to remind you and to advise the public of the enquiry's objectives:

1. To evaluate the economic impact of the COVID-19 pandemic on micro and small enterprises;
2. To identify the factors and conditions which may inhibit business continuity for micro and small enterprises post COVID-19;
3. To assess the existing policies, projects and programmes of the State designed to support the economic recovery.

So, we have heard and read a lot of it in the media and now we want to hear directly from you on these matters. We begin by asking the following persons to make brief opening remarks maximum of two minutes. We begin with Ms. Diane Hadad, Chairman, Tobago Division of the Trinidad and Tobago Chamber of Industry and Commerce. Over to you, Ms. Hadad.

Ms. Hadad: Thank you, Madam Chair. Based on the fact that Tobago is a very small economy, pretty much dependent on international arrivals and, of course, the 1.4 million persons from Trinidad coming on the island to assist with the economic development in terms of consumption, Tobago would have suffered a 13-year spate anyway prior to this of a downturn and hurt. And COVID would not have helped in any way because COVID-19, of course, our waters and access to us were obviously curtailed and, in many instances, denied.

So that being the case, our dependency would have come straight from the output of the THA and the one cheque that supports the families that worked there, and that is all the income that would have been spent on this island during this period. And owing to the fact the persons themselves did not move around very much, because of the conditions that we are existing in, we also had a further demise of income and revenue.

Having said that, the small and micro businesses, which I want to say would mostly be what our economy is made up of in Tobago, we are in a position where many people are falling by the wayside. People who are tenants are in a deficit, of course, based on the fact that landlords are in need of their rent at this time and, of course, we know the cycle and the knock-on effect of what happens. Buildings that were unoccupied, that are tenanted and so, are also falling into disrepair because there is no revenue to do any sort of maintenance. And, of course, because there is not the movement, we cannot get, as I explained, consumption.

So there were programmes that have been put in place by, I want to say through the THA and so. But once more we would have had issues where that funding does not generate or find itself down the right avenues for the right type of fixing and therefore all of that needs to be addressed in a more meaningful way. The impact of the arrivals from Trinidad, of course, is going to start, if it can, to make some sort of move. But let me also say that Trinidad we know is suffering, so therefore I am not sure how much of—and therefore, what is going on with the international arrivals becomes even more of a monster in terms of us being able to flow and carry on the requirements of COVID-19 to have guests come to us.

So that being the case, Madam Chair, I want to say that Tobago is not in a good place. The private sector which needs to be developed in a meaningful way has fallen by the wayside and is in a struggling position, juggling whether you pay

T&TEC or WASA or TSTT for connectivity on a timely basis. So, thank you very much. I hope I did not go past my two minutes.

Madam Chairman: Oh no, you did very well, Ms. Hadad, I must say. So now I move to Mr. Mark Edghill.

Mr. Edghill: Good morning, Chair. Good morning, members. I will take the opportunity this morning to introduce the TTCSI to this Committee. First and foremost, I would like to thank you for including the Trinidad and Tobago Coalition of Service Industries in your discussions today. TTCSI was established in October of 2006 as an umbrella organization that brings together all services, organizations and associations in Trinidad and Tobago.

As an alliance of professional services, associations and organizations, the TTCSI functions as a focal point to lobby, channel and address trading service issues and service development issues which are critical for this sector to thrive in this competitive global environment and for the growth of sustainable services in the economy which contributed as much as 58 per cent of real GDP in 2018. TTCSI has been recognized as the sole supporting organization for the service sector in the country and currently represents 56 member associations which together represents over 650,000 members or approximately 50 per cent of our population.

Over the past eight months, we have placed emphasis on working with service providers to become better organized and structured in the processes of establishing an association, some of which are woodworkers, live events, technical professionals and janitorial service operators, just to name a few. The majority of our members' members have been heavily impacted by the pandemic hence the reason we welcome this opportunity to bring to the forefront issues impacting service providers and firms in the country.

The TTCSI would like to stress that we recognize that we are in uncharted waters. However, we can only navigate the course if we identify and face the problems proactively and directly. The primary mechanism to tackle the issues is to ensure that we have the pertinent information and data, and this is exactly what myself and my CEO have been engaged in over the past eight months. Thank you.

Madam Chairman: Thank you very much. Mr. Sudesh Ramkissoon, please, I invite you to present your opening statements.

Mr. Ramkissoon: Sure. Thank you, Madam Chair. The Arima Business Association, I think, has been affected greatly by the pandemic due to the business types that we have in Arima which is a lot of retail stores. We have been trying to cope with the pandemic through whatever measures put in place and business owners have tried to be innovative through their changes and going to online and so on. But the difficulties still arise in those areas because there is a cost factor attached to it and then there is also the need for the older businesses to understand the new technology and how to adapt to that. Unfortunately, some were not able to adapt and had to close their doors.

During the last two years, the Government has tried to put measures in place to assist and it being a novel virus, we had to respond in a very quick manner. The Arima Business Association has tried, through membership, to inform and also prepare our members on various areas that would have become very ticklish, I would say, that being the issue with the labour and how to deal with staff during the COVID period and in terms of how to retain staff and the issues with the vaccination programmes in the private sector.

That being said, I think Arima is being affected more than most areas simply because we do not have that regular foot traffic that we would normally have and it has affected businesses across the board. I hope that through this Committee here

we can shed some light in our area and hopefully create some solutions. Thank you.

Madam Chairman: Thank you very much. Mr. Jason Roach, San Juan Business Association, please.

Mr. Roach: Hi, good morning, greetings from San Juan Business Association. Currently, to be very specific, in terms of micro and small enterprises in San Juan, we are seeing a 5 per cent drop-off on stakeholders in our database that have brick and mortar establishments. And the biggest challenge for us in San Juan has to do with that large overhead of rent and lease. I know the safe zones initiatives in particular, those establishments that have to be governed by safe zones, be it restaurants and bars, are having a lot of difficulty in terms of being sustainable with a reduced traffic in terms of patrons to their establishments. We would like to get a greater understanding on how we as an association can bring some financial resources through this particular segment and I will listen very carefully and make contributions in that regard.

There is also another serious problem in San Juan with regard to COVID Regulations. Because of the economic downturn, what we have been observing is that businesses are finding it very difficult to enforce precautionary measures in terms of providing soap and sanitizer and also checking people's temperature. So it is a very peculiar position where we are trying to manage being—to sustain ourselves as well as join the fight in terms of the COVID-19 pandemic. So this is my contribution for now, Madam Chairman, over to you.

Madam Chairman: Thank you very much, Mr. Roach. May I invite now Mr. Mike Walmsley, Director of Small Hotels and Guesthouses, Tobago Hotel and Tourism Association.

Mr. Walmsley: Yes. Thank you, Madam Chair. Our Tobago tourism sector entered this pandemic in a weak position having experienced declining visitor

arrivals over the last seven years, from 87,796 in 2005, to a low of 19,542 in 2019. Personal financial revenues have depleted and income is reliant on month-to-month occupancy. Eligible properties qualified and received financial help

in the form of a grant given in 2020. Not all were able to apply and some have still not received the second half of their grant.

However, the stipulation of the grant funding was to upgrade properties, not to assist with general operations, working capital that have been severely depleted through closure and lack of visitors. In fact, it is important to state that out of the 50 million grant offered last year, approximately 120 properties in total were successful, 38 of those still to receive their second tranche. And if these 38 are paid, there would still be some 24million left unused out of that grant.

During the budget speech last year, an additional 50 million grant was announced. THTA sent out application and requirements to access the additional grant in November. Once again, this grant can only be used for certain upgrades and cannot be used to replenish any working capital. To date, there has been no information as to disbursement. SME loans have been offered with low to zero interest. However, many are excluded through requirements stipulated to access these loans. Additionally, many already have outstanding loans, some in moratorium. The need here is loan restructuring, not just additional loans adding to the burden. You find that grants alone are not the answer to stabilize and regrow the accommodation sector. Accessible low-cost loans, low-cost restructuring would facilitate the survival and growth. This, along with additional flights, domestic tourism marketing via the division and international marketing by THTA should be the road forward. Thank you, Madam Chair.

Madam Chairman: Thank you very much, Mr. Walmsley. And now we have Mr. Preston Sam.

Mr. Sam: Thank you, Madam Chair, and thank you for the opportunity to be part of this enquiry on behalf of the Sangre Grande Chamber of Commerce. In our jurisdiction, many businesses have been affected by COVID-19 and in most areas—and not more so in most areas locally and internationally. The businesses in our area have struggled to regain strength after reopening due to accumulation of arrears in rent and also the lack of capital investment for reinvestment, capital to reinvest in business.

Many business owners lack the knowledge on grants and this has caused a lost opportunity as the case may be. For those who have applied for grants, we have seen some receiving grants and some still pending to receive. Despite all the negativity that COVID has brought upon the businesses in the Sangre Grande area, we have seen some businesses trying to utilize other means of operating businesses. For example, restaurants are using curbside pickup. We also have actually two new delivery services in the Sangre Grande area that are doing food delivery.

So, there are some positives coming out of it. But at this present time, I would say 80 per cent of the businesses that were operating before or pre-COVID-19 are now operating and the 20 per cent would have been businesses that would have gone on to do online business because of arrears in rent and they cannot continue to paying the rent at their establishments. And these businesses are actually run by the owners themselves, so you hardly find that small businesses are actually hiring person but more so they are actually running the businesses themselves or actually having family members assisting them. Thank you.

Madam Chairman: Thank you very, very much, Mr. Sam. Well, we have heard quite a bit from officials about what is happening with their businesses over the last couple of years and we now commence the questioning based on the objectives. And I just want to remind you, when you are about to speak, to activate your microphone and when you are finished, to turn it off so the other persons can be heard. So we will now proceed questioning and remember, please, to direct your questions through the Chair and not to one another; questions and the responses, yes.

Ms. Lutchmedial: Chair, through you, if I may begin. I want to pose a question to the business associations, any of the three represented here, Arima, San Juan or Sangre Grande, anyone can answer. I think the answers would be fairly similar. But from the perspective of the small businesses and the state of emergency, do you feel that during that period of time that the operations of the businesses were severely curtailed? And what types of businesses you think suffered the most during the period of the state of emergency with the curfew being in effect? So I can hear from either of the three.

Mr. Ramkissoon: From an Arima standpoint, the state of emergency affected quite a bit of the entertainment businesses, that being the bar, the night life, the restaurants to a greater extent, because their key time would have been on a Friday and Saturday evening and due to those restrictions, they would have a lot of reductions in sales and even patronage. The trickle-down effect of that is also the clothes stores will have less sales going on and even the DJs—the sole traders and the DJs, the entertainers, the influencers, those type of people, they would have been severely affected in Arima. So, more so in Arima, the night life. I would say quite a few restaurants would have been affected as well and that trickle-down effect would have to the retail garment industry and even sole traders like party promoters, DJs and those extracurricular things that come along with that, the rental of vehicles and so on. So from an Arima standpoint that is what was most affected by the state of emergency during the COVID lockdown.

Madam Chairman: Anybody else would like to respond to that question?

Mr. Roach: Sure. Jason Roach from San Juan business here. I would like to also add to what Arima said. In terms of industries affected would be spas and salons, barbershops as well as taxis, because as we know taxis have also been

operating with less capacity and the maxis during the SOE due to the regulations. And also, the spas and salons have—they are really under pressure in terms of losing clientele. I guess with less disposable income from people that are losing income from their jobs and employment, it has a trickle-down effect to these businesses that I call “luxury services” and they are really feeling the wrath of the pandemic. That is it for me, Madam Chair.

Ms. Lutchmedial: Have you noticed any change since the SOE has been lifted and the curfew is no longer in effect? Have you notice that some of the smaller businesses are now, you know, experiencing some sort of relief or improvement in terms of sales and in terms of patronage?

Mr. Sam: If you would allow me, Madam Chair, I would respond accordingly. We have actually seen change in the Sangre Grande area where restaurants are now able to open a little later and some of the—even, you know, the food and drinks industry has the opportunity to open later and you are also allowing persons to come into these business places at a later time because these are the hours for these businesses to be operating. So yes, we have seen some change.

Ms. Lutchmedial: So do you think that the increased opening hours really helped with things picking back up for the smaller—we are looking at the small ones here, right? The smaller businesses like restaurants and independent, not large chains. You think that the increased opening hours has improved for them?

Mr. John-Charles: If I may—

Mr. Sam: Surely. I would—sorry.

Mr. John-Charles: Sorry, go ahead.

Mr. Sam: Yes. I would say it has assisted in a small amount not in a large way because businesses, you know—even like restaurants, I myself being a restaurant owner, you are opening later hours and you are still not seeing the normal influx of persons that would have been coming to your establishment pre-COVID and I think it is because people are now trying to be more safe and staying indoors, you know.

Ms. Lutchmedial: Okay. In terms of the—oh sorry, Mr. Charles, you wanted to say something? Chair, through you, I—

Mr. John-Charles: Chair, well, what I was going to say was that since the end of the state of emergency, there has been an uptick in at least traffic in many areas and businesses and sales, not on the level as it was post-COVID, but many of the small and microbusinesses are very cautious as the large amount of uncertainty. They do not know when things will revert back to a lockdown. So that is a major impact—that is a major thing that is holding them back.

10.35 a.m.

Madam Chairman: Could I hear from Mr.—we have Mr. Hosein, and Hadad, and Edghill waiting.

Mr. Hosein: Madam Chair, I will give way to Ms. Hadad and Mr. Edghill. They have to respond to Ms. Lutchmedial and then I will ask my question.

Ms. Hadad: Mr. Hosein, I am not hearing you too well. But anyway, through you, Madam Chair, I want to just say a little something here. The effects of the pandemic in its initial stage would have had some level of, I want to call it, excitement if you may call it that, where persons were moving around and trying to get things to carry themselves comfortably indoors, and we did not understand the depth of it. Persons did not understand the depth and length of it, and because of

that there was this movement going around where persons did not initially feel the impact of this.

The length of this drought is what is causing or has caused a massive negative outcome. Because you now have a wet blanket or fear factor over the nation or the world based on how it is addressed. And therefore, although people were in lines there were misconceptions of people in lines outside of supermarkets and so, you did not have the flow going through a store because people were standing in a line for half an hour or 45 minutes before they got entrance. After going into a store, regardless of what type of business it is—even in the banking sector you are trying to get service as a small or micro business and you have to spend time outside in a line before you got into an establishment takes away from how much you can get done in the hours that we would have been operating within in the curfew times and so.

Now, because of whatever people spent then, people have become more cautious because, of course, people are losing their jobs and, of course, somebody said it, Mr. Roach, disposable income, so people are now managing what moneys can be spent where. I want to say that the devastating effect on this is now starting to hit home in a really deep way because whilst people had funds or savings that they would have expired now in the trying to hold it together, that too has eroded. So the effect of it, I want us to get not just what happened in Arima and Sangre Grande or whatever, although I know that we are here representing our areas, I want us to understand the knock-on effect of how this thing really is happening with the—even the driving from Crown Point to Scarborough I am able to conquer that in nothing more than five minutes now because the road is clear. There is no movement. People are now at a standstill in terms of the fear. So I just want to put that on the table. Thank you.

Madam Chairman: Thank you. Before I invite Mr. Edghill, I would just like to say that Ms. Hadad you would

appreciate that the long lines would have been occasioned because of the fact that we are social distancing that you could not, you know, have people go in all at the same time. So there is always going to be a balance, you know, about what people's needs are, and what are the requirements because fundamental, crucial, is keeping people safe.

Ms. Hadad: Madam Chair, and why I mentioned it is because there was a perception that the lines outside indicated how much business people were doing. So that is the point. The lines gave an impression, but I wanted to just explain that that was a wrong interpretation of what the look was. That is all I wanted to say.

Madam Chairman: Thank you.

Ms. Lutchmedial: Chair, before Mr. Edghill, there is something that I—a burning question that I have for Mr. Charles based on what he said before. So before we digress away from it, if I could just ask this brief question?

Madam Chairman: Mr. John-Charles is his full surname as I understand.

Ms. Lutchmedial: Mr. John-Charles, yes. You remind me of a lecturer that I think I had. I wonder if it is related.

Mr. John-Charles: That is my father actually.

Madam Chairman: Yes, we realized it is the same name.

Ms. Lutchmedial: Great then. Okay. Yes. Mr. John-Charles, you mentioned uncertainty being a factor right now. Now, let me give a little background of why that jumped out at me. I know someone, for example, who owns a restaurant, a very small business in Arima incidentally, and when the second lockdown happened the first complaint that this person had to make is that they had just invested in a whole lot of stock, a very expensive meat and that kind of thing, and you know they were really, really disappointed and financially the hit was huge on them. Do you think that there is still this prevailing level of fear and uncertainty that is causing people now to hold back in terms of how much they are buying, how much they are stocking, how much they are planning for the future even though we received some assurances, and so on, with respect to things not going to go back in that lockdown stage? But do you think that businesses are still—do you think that confidence is just simply not there for people to start investing and growing and trying to grow their businesses?

Mr. John-Charles: That confidence really is not there. In terms of planning for the short-term in purchasing more stock, they are very measured in that approach. Even for trying to get financing and loans, they definitely are not pursuing that, because just yesterday there were over 1,000 new cases. So in the back of their minds they are thinking well next week, next month things could revert to the low levels and we could get another lockdown, and that definitely is curtailing the amount of preparation that engaged to which will, of course, slow down economic activity in the country on a whole.

Ms. Lutchmedial: Right. Thank you very much.

Madam Chairman: Ms. Lutchmedial, yes, I do not want to forget Mr. Hosein or Mr. Edghill who have been waiting—

Ms. Lutchmedial: Yes. Sure. Go ahead.

Madam Chairman: Mr. Hosein was up first and he gave way to Ms. Lutchmedial. All right. Go ahead. Go ahead.

Mr. Edghill: Okay. Sorry about that. I just want to respond to add, I do endorse everything that has been said by the fellow panellists this morning. But in addition to the issue with respect to operating post-lockdown and in relation to the SOE, with respect to business operations, we are still seeing people or we have seen people who are actually changing their operating hours to cut cost as a cost cutting

mechanism. So to save the cost of salaries, they are opening an hour later and closing an hour earlier because the traffic is actually significantly less, the buying power or the money circulating in the economy has significantly decreased. I also want to just touch on something that was mentioned based on the question that was asked with respect to investments of equipment or the stock.

We have been given a heads up by the entertainment sector whereby equipment that does have a time sensitive usability, if you want to call it, as you know technology changes and equipment expires in its functionality based on those changes in technology, and we have had several individuals who have invested heavily in equipment in preparation for whether it is a Carnival or other entertainment opportunities that would have existed pre-COVID and they are now in a position where although they had to maintain their equipment throughout the process to keep it in good working order with no income coming in, they are now facing the fact still having to pay for that equipment while their equipment is now facing expiration in terms of applicable use. So there are several other factors and they have indicated also that there is no—they have not gotten sufficient support from the banking sector and also the fact that grants have not been fully accessible to them as well. So I will leave it there for now. Thank you.

Madam Chairman: Thank you. Mr. Hosein?

Mr. Hosein: Thank you very much, Madam Chair. My question is directed to everyone on the panel. Can you give us an indication of whether or not on a personal view and some feedback from your members, whether or not the state of emergency achieved its purpose? That is the first question. And the second question is in particular to Mr. Walmsley and Ms. Hadad from Tobago. Do you agree with the beaches, the opening hours for the beaches still being restricted;

or do you agree that the beaches should not be restricted at all, the opening hours for the beaches?

Madam Chairman: Any takers?

Mr. Roach: I can respond to that question, at least the first part of it: Did the SOE achieve its objective? I would say yes. I believe the SOE was a mechanism that was utilized to really combat, controlling what is happening in society and managing the pandemic. But with that said, I believe the intervals in which we were shut down it was a little too long and I think one of the challenges—and I think we are being faced with that challenge up to now—is pandemic fatigue. From my understanding from speaking to nurses that reside in San Juan, a lot of them are fatigued from combating this pandemic for so long and how they are working in terms of the extended hours.

It is a similar perspective from business in terms of uncertainty with regard to the lockdown and the SOE. You know you could have psychological fatigue as well in terms of if you have a certain level of uncertainty of not knowing if it is you will collect a pay cheque at the end of the month based on what is happening with regard to the spread. It is a psychological challenge and an HR challenge for businesses as well. So I would say it is two-fold. Yes, the SOE achieved its objective, however, we have to look at what were the ramifications of keeping it for so long.

Madam Chairman: Mr. Scotland? Mr. Scotland, you no longer wish to speak? I saw your hand up. Any other member wish to comment on the state of emergency and its effectiveness?

Mr. Edghill: Madam Chair, if I could just say quickly, yes, I do believe the SOE achieved the purpose of reducing or restricting the movement of the population during a time of spreading of the COVID virus. So I believe in that regard it was a useful mechanism. However, I do agree that it was potentially extended for too long a period. Also, of course, border closures that have impacted other sectors in tourism and tour operators, and the yacht services and so on. So we really have other aspects to look at with respect to spins offs from the SOE.

Mr. Walmsley: Madam Chair, I think I heard a question about the beaches, and from our perspective we have seen a slight increase in traffic and occupancy with the fact that the beaches are opened. People want to come because they want to go to the beach. So they need to go and bathe in the sea. I do feel that the 2.00 p.m. time is a little bit too early. I think it could be extended to nearly 4.00 p.m., and that would allow water sports and other activities to take place without the liming. Thank you.

Madam Chairman: Thank you very much. I must say that background you have there is much too tempting, you know. That rolling sea water there. Ms. Hadad?

Ms. Hadad: That is exactly why we need to remove the time factor, Madam Chair, because look, it is already tempting you where you are there. So to answer the beach question, I think the beaches need to be reopened at this stage. I do not even know that it should have a timeline. However, I would like to suggest that maybe we keep the containment of the alcohol consumption and the things that create the behavioural patterns that become unbecoming, and therefore, take away the actual purpose of the enjoyment and health benefits of the ocean and the properties around. So that is the question that was directly asked to both Mr. Walmsley and myself.

And the first part of the question which Mr Roach kind of logged in in, the SOE at the time I want to say that I believed Government would have made a decision in their best knowledge, their best state, understanding what was going on. Because to be fair I do not think anyone of us have their pandemic plan in our drawers and never wrote that business model. So to be the fair I think Government made that

decision trying to treat with what was in front of them. However, as we went along there were too many uncertainties in terms of how we are going to operate. And having said that, I think we have come to a place where that needs to be more locked down because as somebody else would have said on the panel, we cannot do proper forecasting for banking, for borrowing, for negotiating. That cannot happen under these conditions and this environment. So we need to probably make some “take the bull by the horn” decisions and move forward. Thank you, Madam Chair.

Madam Chairman: Thank you, Ms. Hadad. Member Scotland, you have a—

Mr. Scotland: Yes. Thank you very kindly, Madam Chair. Madam Chair, I want to pose this question to the participants. How can the Government, in light of all that has been said, and in light of all your experiences, how can the Government further assist the business community relative to dealing with this pandemic? And secondly, do your various organizations not support the Government’s vaccination drive? Those are my two questions.

Madam Chairman: Any takers? Floor is yours. Mr. Ramkissoon?

Mr. Ramkissoon: Thank you, Madam Chair. Thank you, Mr. Scotland, for posing those questions to us. With regard to the vaccination programme, I believe all our associations would report of having the vaccination programme reach higher levels. I think everybody, all responsible business owners would have requested that their staff get vaccinated again. In the private sector it is a little more difficult. So all we can do is ask and encourage, provide them with the information they may ask of us, and hopefully that helps to increase the numbers going along. But I do not think any association has an issue with supporting the vaccination programme and trying to get more of the population vaccinated.

With regard to some initiatives that the Government may be, well I would not say may be, I think they can assist us with is the following: during one of the speeches from the Minister of Finance he offered to reduce credit card interest by 50 per cent. To date, this has not happened and believe you this will be a great, great, great assistance to all small and micro businesses for their credit cards to be at a lower interest rate. It would really, really help them.

Secondly, small and micro enterprises, if it is possible, I think through NEDCO or some agencies if we could do some interest free loans based on the criteria of the business having their affairs in order, being paid up with their corp tax and so on. It has to have some level of requirements and oversight, and if they can be granted some interest free loans to at least help stimulate the business which will therefore help stimulate the economy and get things back to some form of normalcy. Additionally, if there is some way that we could assign some percentage of the available forex to small and micro. If it is 10 per cent and you put it on a tier system—so if a business is considered small and micro, the micro businesses in the country have an ability to access 10 per cent of the available forex. If they cannot fully utilize the 10 per cent, then the difference should go back to the bigger businesses, but at least make 10 per cent available to us so that we too can help grow and build our businesses because forex is becoming more and more challenging by the day.

Also I think small and micro businesses should not be paying small commercial rates for electricity and Internet, and so on, because the usages that of a household, sometimes even lower than that, and to be charged commercial rates for a small and micro enterprise I think is a little harsh even worse now in the pandemic. And finally, if BIR and NIB could waive penalties for late payments. The Government needs to be understanding as well. I understand that this is how the economy returns money to the Government to further inject back into the system, but we also need to ease up on some of these harsh penalties to allow businesses to have a little period because we are trying. But if we could be given some leniency here on this, I think it would also assist. Thank you.

Madam Chairman: We have heard all your pleas and I think you represented your entity very well. Now, Mr. Sorias has been waiting. So I will take Mr. Sorias and Mr. Rambharat following please.

Mr. Sorias: Thank you, Madam Chair. We did an impact survey at the Tobago Hotel and Tourism Association with approximately 479 people responding, business people responding, and we asked if moratorium was requested were you successful, and 72 per cent say no. Right? Another question: How critical to the immediate future of your business is financial assistance and almost 70 per cent of a critical need for financial assistance. And most of our members are saying to us that the government assistance for most of them was not accessible, sorry. I want to say to the last question, the Tobago Hotel and Tourism Association fully supports the Government's vaccination drive. Thank you.

Madam Chairman: Thank you. Mr. Rambharat? Member Rambharat?

Mr. Rambharat: Thank you very much, Madam Chair. And I want to say first to the stakeholders who are before us, I had the opportunity many years ago to chair one of the largest business organizations in the country. I understand everything you have said, but I want to thank you for the very positive way you have approached this televised hearing this morning. It struck me that the contributions were, you know, based on your experience, very heartfelt contributions and very positive contributions. I have been taking notes. So I want to congratulate you because that has been a difficult environment for all of us, but more particularly for you and for your stakeholders who have really borne the brunt of COVID. To Ms. Hadad in particular, I note the sentiment you expressed on things like the state of emergency. It is always easy to—you know, in the US they call it “Monday morning quarterback”, to reflect on it after it passes. But my very first contribution in the Senate on COVID, I said the only thing is certain about COVID is the uncertainty and your views expressed that.

I thank the member from San Juan, I believe, for highlighting the mental health issue particularly with those in the health sector, but across the country nationally and Prime Minister referenced that in his press conference last Saturday. I want to just say that at the last meeting I asked some questions of the credit union movement and the fact is that one of the issues that was the most pervasive issue in terms of the support offered to the business sector, small, medium, large credit unions is the deficiency in registration, statutory obligations in organizations. There is a requirement that those who access the benefit even on a minimum must demonstrate some form of registration or being on the national grid in terms of business. And a lot of them failed on account of that and the Minister, I do not want to use the word “water down”, but it in fact water down some of the requirements to try to allow more persons in, and I would say we do not know if we pass the worse of COVID yet. I do not want to express a view.

It might be a good time for all of us to revisit what was an offer, those who were deficient, the money that is still available and the extent to which all your members who were not successful may be successful in still assessing those things. Because I know from that last meeting there was a lot of money left on the table, and you would see in the budget the response of the Minister of Finance to that was to make particular support available for small and micro enterprise businesses to become compliant and I really would not like to see that go to waste. I think that while we are examining the past in terms of the future, I think we should as business organizations, and as Government, we should

work together to make sure

that maximum use is made of that benefit and the others which were made available in this fiscal year.

I want to say to Mr. Ramkissoon, you made some very good contributions in these specific suggestions in relation to small and micro. I particularly like your forex suggestion mainly because we have made forex available to exporters in particular through the Eximbank, but it might be something that you want to raise as a group with Minister of Finance in relation to small and micro, who even in fact have forex needs and they require assistance. But I follow you on the utilities, yes. These are things that we really as policy-makers, and as Cabinet members, and as legislators, we really look for you to provide these suggestions that we work through. And we get some good ones that come through so that the waivers.

The waivers on penalty and interest you will remember through BIR and Companies Registry and so on, we have gone through three amnesties I believe on those. We have been able to collect significant amounts of money on them, and again if you believe that a further waiver is required on penalties and interest I think you should make your approach to the hon. Minister of Finance on that. So I want to close by saying it has been a difficult time particularly for you and your membership. I appreciate the positive way in which you have approached us today. I think there is work that we could do together even in the face of uncertainties so that we could in the context of what the Minister of Finance may still have unspent, we could really get it to your membership. Thank you.

Madam Chairman: We thank you, Mr. Rambharat. I think you have gotten out the Government's position very well so that people understand, and thank you for recognizing the contribution of the officials here so far. Now, I will go to Mr. Emerson John-Charles, and then Ms. Hadad, and then for Mr. Roach for their contributions.

Mr. John-Charles: Okay. So just as Mr. Rambharat said, I agree with a lot and like a lot of the suggestions made by Mr. Ramkissoon. The only thing I would change though is that he said we should have zero interest loans. I think for the small and micro sector there should be more grants actually, because as we said there is so much uncertainties. Some of them may be wary and may not access any zero interest loans. My one suggestion dignifies all of what has been said so far, is that last month I was in Amsterdam and in Amsterdam there is an organization called Start-up Amsterdam, and the sole responsibility is to be a manager and supporter of SMEs in accessing various organizations in the entrepreneurial ecosystem.

11.05 a.m.

And I think that for our SMEs, there is so much stress with the lockdown, just on a normal basis, they are just trying to survive, focus on their business, that there may be various Government initiatives and they just may not be aware because they may not be reading the newspapers as often, they may not see it on the news or on television. But if there was an organization where they can just go to just access what is going on, every week or every month, they are going to find out what exactly is going on, that definitely could help support them and boost them and could even provide a source of other services such as mentorship and things of that nature. But in Amsterdam, they have one of best eco-systems in the world and that initiative definitely will boost Trinidad and Tobago.

Madam Chairman: I am wondering though, Mr. John-Charles, whether your membership have accessed advice, programmes or webinars from foreign state entities, exporTT and National Entrepreneurship Development Company. So in fact, there are entities there to assist businesses.

Mr. John-Charles: Yes, there are entities. Well, let me give a small example

which is outside of the realm of San Juan but still related. So in terms of the outdoor restaurants at the Queen's Park Savannah, the head of that association, he sells punches and things of that nature and it shocked me for him to tell me that he was not aware of the NEDCO grants. Well I said how can that be, it was on television? He said well I am trying to survive here and maybe before NEDCO would have had booths and things of that nature, but it is COVID and most of the NEDCO workers are working from home. So if you try to call NEDCO during the state of emergency or even before that, you just would not get through with anyone because they are all working from home. So those types of challenges compound it. So he said I just did not know about the grant. And then for other persons who were aware of the grant, there was a backlog and a long waiting time to get any response far less for the grant itself. So those are some considerations that have to be taken in.

Madam Chairman: Thank you very much and it is interesting that you raised that point though because working from home does not mean not being accessible to the public as I understand it. Ms. Hadad.

Ms. Hadad: Chairman, that is not quite the real situation, getting anything is super difficult. But let me get to the questions. The first one, the vaccine programme support system. I want to share on this Committee that at the beginning, 80 per cent of the membership would have said that they were not in support of driving persons without choice to vaccination and holding their jobs as the collateral to taking it. And when Government made the decisions that they were going to put necessarily people's income next to the vaccination, we would have had a shift in terms of 70 per cent now saying that they will go along. So I want to be clear that I am not sure that that was support more than it represented people's, let me call it, their need to survive and therefore made that decision. It was more a financial

one

rather than a human one and I think that is very much—must be put on the table so that we understand where we are going because you still have a very high hesitancy level on the island. But, however, the Chamber as a whole did do a massive support both in Trinidad and even Tobago where committees were formed and we know that Trinidad end actually had a whole booth and financed a whole situation there. So I want to say that I think the support was one thing.

The other thing is how can the Government support—now, I am going to turn this whole thing upside down because I am saying so from the financial situation that we are accustomed to. Because we are not accustomed to pandemics, the financial situation as it stands does not and will never fix the situation. It does not matter how we pad it and adjust it and adapt it, it will not fix it. So I want to suggest some really out of the box decisions.

To start with, our financial sector would need—and financial sector means credit unions, banks, whatever forms of lending agencies we have—needs to be brought into the table to discuss the non-traditional ways of delivering funding. We cannot—Minister Rambharat said one of the things, a key. Whilst we the private sector need to register and so and I agree with it. It is an ideal time for us to bring people into an information and data collecting part of it for registered people so that after this we can now line up our business community in a real way, a meaningful way, that we know what is happening with how many people are really in business and what we have as a community on not only the island but as a country.

Let me say that with the financial sector, the quantum that are being offered, either for interest free or for the deferred loan payments, they are not enough based on—I do not know who did the numbers in terms of if you are doing a business for one point something million dollars and whatever, that \$75,000 will help you, it is not going to work. Those numbers are not structurally mathematically done in a meaningful way and so I want to speak firstly of quantum.

Secondly, this is not just about interest rates on—Madam Chair, there are a lot of distractions, I am not good at these meetings when we have all these movements around. It really throws me off. Secondly, the financial aspect of it needs to be done in a Government private sector, meaning us, the business community, and c)the banking or financial institutions and lending agencies. We need to come up with formulas which indicate that whatever people have as debt now can be put on hold in a moratorium state for people who require it for a period of let us say we start with a two-year period and the new funding is given or accessed because people are not in a position to probably pay what their debt is now and that continues to mount and climb interest where one aspect of the scale is going to overpower the other eventually. Because if the income stays stagnant or does not climb, that debt plus interest keeps climbing, there is no stop to that figure, one is going to overpower and you are going to end up in a close down situation, you are not going to be able to recover that at no cost, at any formula you use. So we need to do some really out of the box things.

We need to stop where we are now and new funding needs to be made available at much cheaper rates or with formulas that say, just as they do in hire purchase, let us call it, where people do not pay for a particular time and then they give you time to get back on your feet, not only about the business getting back on their feet but about the movement of people and our whole country being able to move again.

I think our financial sector has a serious responsibility now to work us through this. I would have said it in April of 2020 and I do not know that it has been dealt with in a deep way. So I want to suggest that there are out of the box things that if, after this committee, I am asked to assist in terms of what formulas we can look at, I am willing to do so. I do not think this is the forum to drill into those things but I think we need to look at formulas that are not in the books as we speak, those of Central Bank or those of any of the financial institutions that do the lending for us. Thank you very much, Madam Chairman.

Madam Chairman: Thank you very much, Ms. Hadad. We take note of all your wonderful suggestions. Mr. Edghill, could we hear from you please about what you posted in the chat so that everybody will be able to take advantage of your suggestions please.

Mr. Edghill: So I actually put it in the chat to avoid having to, you know, just have everybody make their contributions at length. What I just wanted to mention here was relative to the Start-up Amsterdam which was mentioned. TTCSI was a facilitator of a Start-up Chile mechanism that was afforded to us in Trinidad and Tobago. Unfortunately, one of the requirements would have been to have your representative establish an office in Chile for at least one year and maintain an office in Chile for the duration of the programme thereafter. So the uptake was not very good. We approached the Ministry of Trade and Industry to look into or support us for a push for a Start-Up TT which would have done exactly the same and the proof has been that with such programmes, there is significant development and economic growth tied to it, inclusive of the attraction of foreign currency and foreign exchange. However, at the time, obviously the state of the country with the limited revenue coming in from the oil and gas sector, there was insufficient funding to even consider the programme. So it is something that I think is worthwhile having us revisit when the

Government is in a position to facilitate such funding.

What I will say though is that the programme structures will usually result in a multiplied effect on the money that is actually invested by the Government. So the money just needs to be allocated, the results and the returns will be significant and it is not something that will just be an outlay or grants given to businesses.

The other point I made—right, the fixed—as Ms. Hadad was mentioning about the level of grants. We have mentioned in the past as well that the grants that have been allocated for access to the businesses are not working because a grant for one business will not necessarily work for another in the fixed structure that it currently exists in. So for example, a 20,000 grant from the Government, that was one that was available last year for example, \$20,000 is not even going to cover rent for some people. And my point here is that without looking for each individual business and assessing them for what type of assistance they need, whether it is loans or grants or what mix might be required for the success and recovery of that business, we need to have more of— In other words, how much is going to be required for that particular business to recover which might be much higher than \$20,000 and with the \$20,000, it is insufficient for a specific company. That is only going to fill a hole or handle covering part of a debt that they may have and not do anything to spur recovery or further growth or recovery for that business in the economy.

Madam Chairman: Ms. Delicia Mohammed has been waiting for a while.

Ms. Mohammed: Good morning, Madam Chair. Just to reiterate what everyone has been saying about the grants, I just wanted to add my contribution in that yes, it is not sufficient. I just want to make a quick reference into if you look at the SME, the micro loan has been available and their criteria that they have set out and the annual revenue ranges and the maximum loan that you have been granted, it is not insufficient. What can \$150,000 do with regard to a company that has an annual revenue of \$600,000? And they are saying that that is the maximum amount so you are not even guaranteed that amount. They can assess and give you \$50,000. What is that going to do to help you? So I am just reiterating what everyone else is saying, what everyone else is thinking, we need to have a better system in place to help these companies to move forward, especially in the financial rut that everyone is in. It is no doubt about it that everyone here has suffered and will continue to suffer because we are far from over in this pandemic.

I just also want to touch on the situation with regard to the tax that has been mentioned. While everyone was thankful for the amnesty that was granted by the Government for the tax, it begs to differ that the amnesty was given in a period where everyone was suffering financially. So while people were willing to pay their taxes, it is not that the citizens and the business people did not want to pay their tax, it is just that sometimes they simply could not. They had to utilize the tax money to pay workers where they can to continue their businesses forward. So even though when the amnesty was granted, it was still granted in a difficult time where people had to still make that choice. Do I pay my taxes or do I continue to provide for my workers to keep my business forward, to keep myself afloat? And I think we need to have some sort of better support system in terms of the tax because as I said, people are willing to be compliant, it is just sometimes it is difficult to meet within the Government timelines and that is a big challenge that I know we have. Because we have to comply by the Government's deadlines but when we have to get refunds, it is not so forthcoming. So we have to wait years and years in most cases to get any refunds that are due to us. So I think the tax issue is something that definitely needs to be addressed for the business people. Thank you.

Madam Chairman: Thank you, Ms. Mohammed. Mr. Roach.

Mr. Roach: Yes, thank you. All right, just to touch quickly on some of the questions that were asked. With regard to vaccination, San Juan Business

Association vaccinated approximately 2,000 persons from within our membership. I think it is very important to note some of the observations that we made when it is we were attempting to do this.

One is that we got a very—it was very well participated simply because of the dialogue and the information with us being very intimate with our membership and being able to kinda put their minds at ease in terms of participating. From our experience, one of the major hurdles in terms of getting vaccination up has to do with fear, right, and it is something that I would really like the Ministry of Health to pay attention to in terms of how do we market information even utilizing bodies like business associations. How do we market the information to address directly the fears that people have? It may be something as simple as needles, overcoming the fear of needles. But it is something that is worth exploring because even during our vaccination programme, you know, we observed people coming to get vaccinated drunk and that has a lot to do with fear and I think it is something that should be noted and addressed.

I would also like to suggest, right, exploring the possibility of incentives to get people vaccinated, not only in the private sector but in the public sector. We have to think out of the box and be creative. Maybe we do a housing lotto or some kind of thing to get people interested in becoming vaccinated because now “we kinda” beyond the two shots now when we are now looking at booster shots, right and we have to get creative to hold people's interests in mind.

On the part of financing, just a couple points to note. I think one of the issues with small and micro enterprises, we

believe that this is a very important sector for employment. Unfortunately with the downturn in the economy, a lot of the small and micro enterprises are scaling back in terms of employment. However, if it is that we are talking about financing to them, one of the major things that these small businesses depend on is foreign currency and going through the traditional mechanism of trying to get it through the banks, there is an issue of scarcity and who gets priority and very often, far too often, these businesses are not prioritized, their business is just too small.

And I would like to advocate to get the special state bodies and agencies that are there to lend services to these different segments for them to get the relative resources to deliver to this business segment, even collaborating with the business associations. How do we deliver the resources to them? One of the things that we have to understand with small and micro enterprises is that the decision-maker is very intimate with their business and for a lot of them, it is actually making a decision on do I sacrifice income to go and seek information and face bureaucracy? Right. These are things that need to be addressed.

Because I mean, the arrangement for larger institutions like Eximbank, that works very well for manufacturers. Why can we not do the same with NEDCO? I know they are not traditionally financial institutions but if we are really serious about delivering service to this particular business segment, then we really have to get creative in terms of how do we deliver service to get them confident and inspired to survive the pandemic. Thank you.

Madam Chairman: I will seek some clarification from you. When you say that the San Juan Business Association got 2,000 people vaccinated, what do you mean by that?

Mr. Roach: Okay, in San Juan, we work very closely with TTMA. Actually TTMA is in our jurisdiction and we collaborated with them at the Divali Nagar site and we would have encouraged our membership to come down. We would have facilitated it, manned the facilities and walk them through, talk to them, right, persuade them and even where some businesses had staff in terms of a significant number of them not willing to get vaccinated, we would have gone into these businesses and had a chat with their employees. Right. But again, it is about getting the adequate resources, whether it be information or financial, whether it be trying to alleviate the major problems in terms of overcoming the fears or incentives, that is the role that we are there to fill. We really want to serve our membership but we want the Government and the State agencies to work with us to deliver better service to our membership.

Madam Chairman: What incentives?

Mr. Roach: Well, I would have mentioned one in terms of a lottery programme, maybe for housing allocation. I do not know. We have to be creative. But I know there are products that the Government can offer that could get people excited about participating in the programme.

Madam Chairman: No, no, no, sorry, excuse me. Not what the Government can offer, I am asking you specifically because you mentioned incentive, what did you all do, not what the Government should be doing?

Mr. Roach: Well, we did not use any incentives at the time. What we primarily relied on would have been explaining and using moral persuasion in terms of giving as much information as we can. Right. So that is what we did. It takes a lot of time, a lot of finessing. Sometimes the conversations, you have to have conversations two, three times to really get people into it because let us face it, people have a lot of questions, right, because we are living in an information age where information is at the tip of your fingers and some of the questions that you have to answer and deal with, it could be a bit much. So that is why I am now pleading for some better information delivery from the Government in terms of getting it to stakeholders like us in terms of how do we persuade and market the information in such a way that we can achieve an objective of alleviating fears.

Madam Chairman: Thank you, Mr. Roach. Mr. Walmsley has been waiting for a while.

Mr. Walmsley: Yes, thank you, Madam Chair. I wanted to just touch the financial again and agree with Ms. Hadad that we need to think outside the box. In December 2017, there was a reintroduction of the Government guaranteed programme and this was a programme that basically you could take an existing loan, existing finance, add more finance to do whatever you would need to do with an upgrade or whatever working capital you need and what would happen is that the Government would pay a percentage of the interest and you would pay the bank the difference. I think if this could be relooked at. There was certainly several hundred million dollars set aside for this programme, I do not know where it is now. But I have been trying with this programme personally for four years and I have accessed everything I needed to do but the bank will not look at it in this current economic climate. But I think it is something if we can relook at, the Government guarantee programme, I think it might answer a lot of these other questions and relieve the grant even. We do not need the grant, we need restructured financing or financing that can be afforded. This way the Government is not just giving out money, it is actually getting money back using that grant. So I really feel that this is something, there is not time now to go into the detail but it is something that needs to be relooked at and rethought through with less stipulations and a little bit more out of the box thinking as Ms. Hadad has just spoken about. Thank you.

Madam Chairman: Thank you. Before I call on Ms. Lutchmedial and then Ms. Hadad, I want you all to be thinking also about the safe zone initiative. Has it resulted in a major boost in sales among your membership, has it changed the way that your membership operates and what are the challenges businesses have encountered whilst operating as a safe zone? Of course, those of you who have been, who are. Ms. Lutchmedial, welcome back.

Ms. Lutchmedial: Thank you, Chair. I am very happy for all of the suggestions about financing and so on. I think it is a very useful conversation. But I just want to bring it back a little bit into we are looking at the impact and how things would have happened as well as taking suggestions for going forward.

Specifically, a lot of people have spoken about grants and accessing grants and so on and I take the point and I agree that grants are really perhaps short term and to survive now going forward, you need something more than grants. But I want to ask specifically about a grant that we had a discussion about at our last public hearing. That is the entrepreneurial relief grants coming out of NEDCO. That grant is really meant to assist small and micro entrepreneurs. We heard a lot about the criteria and so on from the perspective of those managing the grant but I want to hear about the experience from the business associations and their members with respect to this grant. Do you have any information on how many of your members may have accessed that specific grant, the entrepreneurial relief grant and a little bit about the experience, if you could share with us in accessing that particular one? Anyone can go first. Mr. John-Charles perhaps.

Mr. John-Charles: Thank you. Well, I do not have the exact figure in terms of percentage but I know that for many persons who were waiting to access that grant, there seemed to have been a backlog and they could not get feedback as to where their application progressed, when they would actually get it. And some people actually—well, remember in the small and micro business space, by definition, their income is not a lot. So many of them had applied for I think it was a \$5,000 grant from the Ministry of Social Development and Family Services or the Ministry of Finance, I cannot remember exactly and some of them had applied for that \$5,000 grant and after they applied for that, the NEDCO grant came out and they were automatically excluded from accessing the NEDCO grant. So that was one of the criteria. So a lot of them would have preferred that the NEDCO grant had come out first or before the—to apply for the 30,000 instead of just excluding themselves for the \$5,000 grant. So those were some of the complaints that I heard from that particular target market.

11.35 a.m.

Ms. Lutchmedial: Thanks.

Madam Chairman: Mr. Ramkissoon.

Mr. Ramkissoon: Sure. So, with regard to the NEDCO grants the information required is a little burdensome for some small and micro enterprises. They requested data that a lot of them would not have had. They requested also in soft copies to be scanned and sent to them because they are working from home. So in that regard, not having a physical drop off box or anything like that, some people just could not access it because they did not know how to scan all these documents and send it.

The process has been backlogged I can safely say, agree with Mr. Charles that while people applied, they do not know where their application stands, to date. They do not know how far along in the process they have reached and if they have even qualified. Some people are still missing documents to submit to NEDCO because the requirements are again, a little strenuous for small and micro.

And I understand the initiative by the Government to try and get them to register but there had to be some other means of a business being able to justify that it was a business before. And then, NEDCO should partner with the Ministry of the Attorney General and Legal Affairs to get the person registered while this is going on, but to just exclude you because he did not have a registration certificate,

or they could prove that, hey, I am making purchases from these companies and I can show you my physical location where I was paying rent. At this time there should have been some sort of connection between NEDCO and the Ministry of the Attorney General and Legal Affairs so that when the persons apply, you could say, okay, you did not have your registration certificates, this is what you need to do but we will still prepare your loan in the interim and then when you get those certificates it will come, and then we will be able to finalize the loan. But to just say well, you “doh” have that and then strike you off the list is a little harsh especially in COVID times. So that was the issue with the NEDCO loans in my perspective.

Madam Chairman: Thank you, Ms. Hadad.

Ms. Hadad: Thank you, Madam Chair. What I want to do is answer your question as well which you asked about the safe zone. The safe zones while it is an initiative, the safe zones have its own complications in terms of persons as a family are not able to go out because their children under a particular age who are unvaccinated cannot participate in that sharing at a restaurant or what we can call a safe zone. Also, because we have mixed families of persons who are vaccinated, not vaccinated, people are cautious. So you find that even that the type of business, I have to tell you, they

are not seeing any benefit from that in any meaningful way. And many persons are now worried about the fact that they bought into the safe zone initiative and it is absolutely not working for them.

I did put up on the chat and I would like the persons to really take a look at UnHerd on YouTube where the chief of Israeli vaccines has said that they “have made mistakes”, and they have delivered the most vaccines in the world right now to their nation. And they are speaking about all the different things that they have now come to reality with. So, the safe zone initiative is not bearing fruit as expected.

And to Mr. Roach’s wanting to sensitize people to get vaccinated, I want to say that the population in many instances thinks that is an insult to their choice of health. And I think it really will not go down well. It did not go down the past if we had understood what had happened with free pizzas and free KFCs. It did not go well. So please, let us be cautious what we are starting to regurgitate which did not work.

And to Ms. Lutchmedial’s question on the—what was it, Ms. Lutchmedial, I just—

Ms. Lutchmedial: NEDCO, and the Entrepreneurial Relief Grant, and the experience.

Ms. Hadad: So what I would say is we have what you call “grant professionals”. We have people who have been in our system and continue pursuing that form of what they call business and they are the grant professionals. So they know how to apply for grants and get grants and they have been beneficiaries for years through different formats. And that is why I am saying that the formula we have now is not the one to work, because there were many persons who genuinely now need to be supported for this entire economy turning its wheels again, and therefore they did not know how to tumble the NEDCOs, or to tumble around whatever what is in our way in terms of getting assistance. So I just want to say that the people who benefited may not even be people who were really needing or entitled because they maybe had a grant business to start with and continue to be grant professionals. That is my contribution there.

Madam Chairman: Well, you have coined quite a term there. *[Laughter]* Maybe she should copyright it. *[Laughter]* Mr. Rambharat, I hand the floor over to you. Mr. Rambharat, are you hearing?

Mr. Rambharat: Yes. I thank Ms. Hadad once again.

Madam Chairman: Are you recovering from Ms. Hadad?

Mr. Rambharat: No, no. I thank her. I never thought I would thank her twice in one day. But I thank her for that description because you are right, we have to face that. That is the reality in some aspects, in food card, in everything there are people who are well equipped to access these things. But I just want to go back to what my friend from San Juan said and what I said earlier. The fact is that we were operating in a particular environment where you may not have been able to fully comply. There were other issues back to the earlier submission in relation to the amnesty and being able to comply and take advantage of that. But I repeat what I said earlier.

I understand that there is the opportunity for further conversation and specific conversations with the Minister of Finance in respect of—well, the Government as a whole in respect of those unfulfilled claims, or those who are not fully compliant who may now be better positioned to do it. Because if the need existed at that time and it was a real need, then the need logically still exists.

It was never the intention of the Government to use policy or to use a precondition to exclude people. The intention was to have the support reach those who really needed it. And even as MPs and politicians on the whole, we have our own difficulties in sifting out sometimes the professional food card applicants from the ones who have the genuine need. And I think we should put together that information again. NEDCO was before us and we know, we know that they had their challenges and there were barriers. And I think the common purpose of the Government is to make the support available to those who need it. And collectively I think we should focus on how we do that in terms of what has gone. And I repeat what I said earlier in terms of what lies ahead of us. I just want to ask you, one thing as a group, if you could just indicate what have you done as organizations, what specific you know, things you have done in order to provide support to your membership and your communities?

Madam Chairman: Thank you, Mr. Rambharat. I have not heard Mr. Gonzales for some time. So I will give him preference over those who I have heard before. I will come back to you Mr. Rambharat.

Mr. Gonzales: Thank you very much, Chair, for recognizing me. My question was very much in alignment with the comments by my colleague Minister Rambharat, but I just want to also register my appreciation for all the members of the business community here. I think your contributions have been very, very mature. I admire the way in which you responded to the question by member Saddam Hosein when you were asked whether or not the state of emergency was a success. I thought that your responses were very much mature, and I want to commend you for all the mature contributions and recommendations that you have been making to this Committee. I have been taking careful notes and I strongly believe that coming out of these deliberations we will be able to put together you know, a very strong report because we are having a greater insight into the operations of small and micro enterprises in Trinidad and Tobago.

Now, Mr. Sudesh Ramkissoon spoke about some challenges faced by members regarding their application

for support from NEDCO. And in his view to a great extent the application process was a bit rigid and it prevented a lot of his members from accessing the support that the Government was hoping to give to some of these members. But we would also recall, Chair, that when NEDCO was present on the last occasion NEDCO was placed under intense scrutiny for its flexibility in providing support. And so much so, that you know, there were a lot of strong suggestions that many people who did not qualify for the grants received the grants and that NEDCO's process, NEDCO should examine its process to ensure that persons and businesses that require the grant, get the grant. So we are always, you know, there are always arguments to you know, pros and cons and it is a very tight rope.

Ms. Diane Hadad, you know, she made a very interesting point. I think I heard the Prime Minister said it. No one was prepared for a pandemic and it was trial and error as we go a long and nothing that we did was perfect. And it was all geared towards trying to manage in very difficult circumstance in the public interest. What we have recognized in similar types of discussion especially as it relates to the small and micro enterprises sector, is that that sector is very much unregulated, it exposed the gap, it exposed you know, the fact that a lot of these organizations and businesses, they operate under the radar. And therefore, in making application for support from the Government, they could not have provided some of the basic things that some of the more established businesses would have been able to provide.

So, I am asking the representative organizations that, you know, to look at this opportunity to bring your members into the formal sector. Because that, in doing so and giving them the necessary support, the Government has to come on board as well, because people often talk about challenges they face with the Ministry of the Attorney General, at the Income Tax Division et cetera. But we have all have to come together and look at our respective processes to ensure that we can bring everyone into the formal sector, so that when situations like these arise in the future, the challenges that we face will no longer be. Right?

In a recent contribution in Parliament, I cannot remember the name of the Bill, I made the point that there was a recent study, I think a 2017 study that suggested that the informal economy in Trinidad and Tobago is worth somewhere around \$15 billion. So, and that is very significant and that is the reason why we are hearing some of the complaints that we are hearing today, that so many of the businesses the small businesses could not satisfy some of the basic requirements for assistance.

So, we are faced with a very difficult situation and I think all of us, it is in our collective interest to examine the challenges that we all face and that we work collaboratively to be able to address some of those challenges. And I want to ask the representatives present here today that you work with your members to bring them into the formal sector so that they can access the support that the State is offering.

Madam Chairman: Thank you. Now, I would like to give the floor to someone who has been having challenges with her device I believe, and we have not heard from her. Giselle Lawrence, I am giving you the floor now.

Ms. Lawrence: Thank you.

Madam Chairman: And I am just asking before you know, this is not directed to you, but I am asking members, officials, please try and keep your statements short, because soon we will be losing people to go into the Parliament and we would hate to think that you have some burning and very important contribution to make and we are unable to continue. Thank you.

Ms. Lawrence: Thank you, Madam Chair. With respect to Minister Rambharat's, his question about what the Chamber has been doing for their members. What we have done is that we have realized, the Sangre Grande Chamber of Commerce, we have realized that a lot of members are unaware of government initiatives. So we have great created WhatsApp groups, we have been using Facebook because a lot of people are online now and we are try to put that information into the social media sphere with respect to the grants and all these other initiatives.

We have also held a lot of webinars as well to our members and the general public so that they too can get some information, for instance about the property tax, or business, how to run businesses and all these sort of things.

We held a membership drive as well recently where we have been calling individual businesses, and while doing so they were able to raise their concerns and suggestions with us. We have also been partnering with the Eastern Regional Health Authority to increase the vaccination drive throughout the eastern region of Trinidad. We have written countless times to the Sangre Grande Regional Corporation, we have written to the MP to try to get meetings with them to discuss these concerns and we are hoping that we would be able to do so. Thank you.

Madam Chairman: Thank you very much. Now, I see some hands are up but I would like everybody to address their minds to what happened with the port authorities, Customs and Excise Division during the period, and the measures adopted, were they impactful? And do you think there are any urgent adjustments in port operations that can alleviate the delays in clearing of freight and goods? And, how have businesses in your membership responded to these shipping and freight challenges? So in addition to what you are about to say, if you could address what is happening at the port

and what you would like to see happen at the port and customs during the course of your presentations. So, Mr. Ramkissoon, please.

Mr. Ramkissoon: Sure. Thank you, Madam Chair. So a quick word on the safe zones and a recommendation. I am glad that the Minister of Health and MP Marvin Gonzales is here as well. Quick suggestion, I believe that the country had a health card system in place whereby that card would have shown all of your health issues together with your blood type and so on. I do not know the status of the programme, but if that programme could be resurrected to also include your

vaccination status, I think it would help a lot with the safe zones. Because then we can just have that as a digital card, a biometric card so that a person can swipe in the business and automatically they would know if he is vaccinated or not. And simplify that process as opposed to having to walk with this card because it is a little bulky as well and take it out of a package to give it to the people. People see that as a hassle but going and swiping a card through a scanner may simplify the process. And there is an existing framework already in place so if we could just tie that through a digital process it may make that necessary requirement easier and help businesses as well. Some food for thought through the digitization process.

With regard to shipping and the port. This is a very ticklish matter in the sense that shipping costs across the word have increased. The cost to pack a container now has increased and that is not something that we can do something about. What the Government can help us with is helping us to lower the cost to clear the container or foregoing VAT for a short period of time. Just so that so much of the increase in cost is not passed on to the customer, and that we can work some sort of arrangement with that.

With regard to the operations of the port, I also know that is a challenge because again you have to operate in a safe manner. That in itself slows things down but again, it is protection of somebody's life. And I do not know what other measures could be put in place in the port to make it faster. I know that under the current ordinances it makes it more difficult for the port to operate. Everything is going to take longer. If there is a streamline operation where you can upload documents online to try and get it approved from before, maybe that is a suggestion. And have a better appointment system to clear the containers and to get your stuff off the port. Maybe that is something that if it is not in place, it is something that should be in place. A proper appointment system where you upload your documents four days before your container comes in, and you try and work out all of that. Thank you.

Madam Chairman: Thank you. Before I give the floor to Mr. Rambharat, I would just like to ask you to focus for me on a next question on the rate of infection. What effect has it had on your business? What impact has it had? You know, what were your concerns about the safety of staff interaction with clients? And were there in fact depressed sales due to the current rate of infection? So how is that rate affecting you in your business? Mr. Rambharat, over to you. I know your business is different.

Mr. Rambharat: Sorry, Madam Chair. My hand remained up. I will give way to another member.

Madam Chairman: I see. So I am sorry too, and we will go to Mr. Ramkissoon is it? Hadad. Anyone?

Ms. Hadad: Madam Chair, I would like if you can just repeat your question just now, and then I will respond because there were a couple of things. And Mr. Wong had a contribution that he wanted to make so, I would allow Mr. Wong. But if you can repeat the question please because I did not get to write.

Madam Chairman: I did not see Mr. Wong's hand up. All right. Now, I was asking about the rate of infections, the COVID-19 virus, its impact on your staff attendance? What was your concern about the safety of staff interaction with clients at physical locations and depressed sales due to the current rate of infections? To what extent was your membership concerned about the depressed sales due to the current rate of infections? The floor is yours Mr. Wong.

Mr. Wong: Thank you, Madam Chair. I am a little confused quite honestly, that maybe I am not living in Trinidad and Tobago, I do not understand. Or maybe I am just not intellectual enough to see the same things you all are seeing. No, I do not

think any of the SOE, curfew, or any of the COVID measures done by the Government have succeeded in anything, except to bring pain and suffering to the people of Trinidad and Tobago.

I accept that there were efforts made and the things were put in place to stop—all of the measures masks included, vaccines, and everything else, are designed to help reduce the strain on the healthcare system. And coming out of the SOE and the curfews we are now well over whatever the numbers that Mr. Hinds and all those fine people put out every Saturday afternoon. So then, we did not achieve anything because if it gets worse then it is not achieving anything.

And at the end of the day, I remember because on April 6th was a day that I was celebrating something, that we could not go to the beach because we had 80 people or 100 people in the hospital. Then we got to 400 people and it got worse. Today, we have how many thousands in the hospital? To me that says it is worse. It is not getting any better and whatever we tried was not successful. So I am not sure that we are there with that. That is that point.

On the discussions that we are having right now, the people that I represent do not have credit cards, do not have

employees, but do have bank accounts. And to touch on the venture capital, I am helping two. Two people applied to venture capital and three times, three of them—twice, each of them have come to supply that they need to help submit, they need to scan in their bank statements to continue the application. And my first question is, “Did you not submit your three recent bank statements six months ago?” “Yeah, but like they lost them and they want me to resend them, and when I resend them, they old now. So I have to find three new ones and send them again.” And getting bank statements from banks these days can be painful because they all do it online, and you have to help them to download and whatever else. So that is a couple of things I mean, that have been burning in my head about all of what is going on.

12.00 noon

We need to look at cash flows for people. A lot of things are out of our control. The shipping, the pricing, the manufacturing, in wherever it is being manufactured and whatever else, we do not have any control over that and those have all impacted business all year long. So I buy something, I sell it with a 25 per cent markup and when I go back to buy it, it is raised 15 per cent. Do you mean—we all understand what that does with your entire working capital system. Right? It eliminates your capital system. You cannot survive. You are slowly but surely running a negative cash flow.

And we have gone through price increases all of last year and we are facing—I have five emails already for the week with three suppliers raising over 1,000 items on my inventory list. So it is coming down the line again. So when I go to repurchase, I need to find money. All the money, all the sales I am doing this month is not going to help me buy back goods for next month. I have to find more money to buy it back. And that is what is happening to all of these micro enterprises and these business people. It was mentioned earlier, people who were prepared to sell—prepared to sell next day, as of midnight tonight, everything you have thawing out, all the stocks you have on a pallet waiting to sell Monday, now would not be sold. It is going to expire and rotten. And those things have happened to people and that is where it is going.

I need the Government to tell me and give me something. I do not believe that the good doctors are pulling numbers out of a hat and saying, “Okay. This is closed down. This is to open back up. We could have a carnival. We could do this.” I need the Government to be sure-footed and sure-handed and say, “Look, if we reach 1,000 people in a hospital, we need to lock it down.” Okay? Once we have less than 600 people in the hospital and the health care system is robust, we could open back up, we could open back up fully and set outlines that I can understand and I can see. Because I see the numbers every night, it comes up on the news, whichever news channel you watch. Right? Six hundred—well, last night, 1,063 with 19 deaths, we see it, then I can understand what is happening, maybe the people, the public can now respond to doing that.

So—and the last thing about the most recent question asked, Madam Chair. Because we do not understand how you have to quarantine and isolate, if I get infected and I isolate, does my wife and my other people in my small and microbusiness, do they have to isolate too, which means my microbusiness is now shut down because it is only me and my wife working, or me and my son or whoever it is? And then how do you kick that down the road if you do have employees? And how long does it work? Because if I am infected today and my other family member or worker who I might have does not prove positive until eight days from now because we cannot get a test done for another whatever days, it costs \$1,000 and I cannot afford to send my son or wife or somebody for the test, how long do I end up being locked down for because I am shut down?

So those things without information, without proper process and procedure, we do not know. Yes, big corporations will send 20 people and spend \$20,000 in PCRs in Scarborough in Crown Point Airport and not have a problem with it. Small and micro businesses are not going to afford that, especially if the grant only coming up to \$5,000 and they need to test six, seven, eight times for the year. It is not helping. Thank you very much. That is all for now.

Madam Chairman: Thank you very much. I hear your passion. Mr. Rambharat? While Mister—

Mr. Rambharat: Thank you, Madam Chair.

Madam Chairman: I was just about to pass you.

Mr. Rambharat: “Nah, nah”, Mr. Wong brought me alive there and I appreciate his frankness and delivery and so on, but it is more emotional than factual or scientific. The fact is—I would just respond to the second part first.

The arrangements in terms of quarantine and in terms of how many days in quarantine and isolation and so on, those have not been fixed. Across the world, it has not been fixed. If you look, for example, over the Christmas period in Quebec, for example, where you have 100,000 health workers, 40,000 were COVID-positive and Quebec took a decision that COVID-positive health workers could return to work once they were working with COVID-positive patients and in other provinces of Canada, they followed suit and that is because it was striking the balance between the risk of having a COVID-positive health worker to the risk of having absolutely no health worker supporting COVID patients.

So this thing has been dynamic. It has been—it has in a sense been led by the WHO. We have been supported by WHO, PAHO and other agencies. The technical people have been doing their job. It is not fixed or cast in stone and the policies and processes, procedures have varied and it is really very important that people keep up to date. So that if you want to know what is happening and—I understand it is sometimes very difficult to grasp everything. I have difficulties too. Even the regulations can prove to be a little problematic and I understand your situation. But the thing is it has to do with the dynamic nature of COVID and the response to COVID.

The first part of it, in terms of the lockdown and so on, I mean, you are entitled to your view but from where I sit, the state of emergency was absolutely required. In fact, my own view is that we should have kept the curfew hours for much longer but that is from a public safety point of view. But the curfew was really reduced, removed on account of getting business back to work again and you are entitled to your views. But I think that the measures that were taken were critical. It is not in a vacuum. None of us prepared or expected Omicron. We were fighting Delta, Omicron came. The world was taken by surprise by Omicron. You see what happened in the US, you see what happened in Canada, in UK and you see the response of the UK when the numbers dropped dramatically. And I know your situation, I appreciate what you have gone through but in—out of respect for the technical people who have provided advice, I do not think we should just cast away the advice as being absurd or unnecessary or anything like that.

Madam Chairman: Thank you very much. And if I may point out though that this is an enquiry into the impact of COVID-19 on the micro and small enterprises sector. This is not a forum to be defending Government's policies, or—
[*Technical difficulties*]

Ms. Lutchmedial: Secretariat, I think we lost the Chair. She might be frozen.

Mr. Gonzales: Yeah, I think so. I was wondering if it is just me.

Ms. Lutchmedial: No, no, we all, I think—

Mr. Gonzales: She was making a very good statement at the time.

Ms. Lutchmedial: Yes. She was in the middle of making a good point. I do not know if there is anyone there at the Parliament that could assist and perhaps refresh and—Secretariat, in the meantime, could I ask a question just briefly, coming back to some of our issues while the Chair reconnects so that we do not waste the time? I know that some members are about to leave to go to the Parliament. Okay. Well, I would just ask my question.

Ms. Baker: Hi, member. Good morning.

Ms. Lutchmedial: Hi. Yeah, Terriann. Hi. How are you going? Could I just get back to some of the questions that we had intended to ask while Chair is reconnecting and then we can—I can give away when she does.

Ms. Baker: Sure. It is just for the Vice-Chairman to continue the proceedings in the interim.

Ms. Lutchmedial: Sure. Which would be Mr. Rambharat, I think?

[MR. RAMBHARAT *in the Chair*]

Mr. Chairman: Yes. You can go ahead, member.

Ms. Lutchmedial: Hi. Thanks, Vice-Chair. Okay. So just while we are waiting on the Chairman to come back, tell us a little bit about how your members have embarked on like, innovation. Tell us a little bit about the resilience. What steps—because people have tried lots of different things. Somebody mentioned the online businesses, curbside delivery for restaurants that did not do it before and we know a lot about those things. But was there anything in particular that you think—and you can give us some examples of things that work particularly well for some of your members to basically adapt to the environment that COVID has presented.

Particularly, I am interested in the cost factor of operating as a safe zone as well, you know, how have businesses been able to absorb that cost, remain competitive? What are some of the things that you have done and how they have become innovative or how they have adapted to that, if you could give us some examples from any of your organizations? I will ask Sangre Grande. Anybody from Sangre Grande business—oh, okay, I see Mr. John-Charles has his hand up or Mr. Sam, either of you.

Mr. Ramkissoon: Mr. Charles can give way, sure.

Mr. Sam: Go ahead, Mr. Charles.

Mr. John-Charles: I had my hand up to make a comment on the customs question.

Ms. Lutchmedial: Oh.

Mr. John-Charles: But in terms of—before I even go into what innovations people have gotten into, I would just like to make a little comment. So the President and I have our masters in business development and innovation management actually. And we noted that CARIRI has an innovation grant going on right now through an IDB loan but that grant is looking for organizations that want to scale up and, to me, the criteria that they have expressed, though it is quite noteworthy, it excludes a lot of micro and small businesses at this point in time who also do not even have the—they may not even have the skill set to even create prototypes. Right? So that is just my one point on innovation on a whole.

I have seen a lot of people have try to be, in this sector, try to be innovative. Because of the high rents, they try to go to a new business model where people could order on social media and they use TTPost to deliver packages for them. A lot of them have tried that by force. Some people try to—like people who are doing makeup, for example, they try to do tutorials online to access a new market. But the issue with a lot of the micro and small businesses on a whole is that many of them do not have competitive advantages and while there is a rush to go into a new realm, a lot of that—they are not the only ones. So the sustainability of that and competition is pretty tough for them.

Mr. Chairman: Okay. Members and stakeholders, I must apologize for the Chairman. Just as she was about to rule me offside, the Internet started to give trouble so—

Ms. Lutchmedial: Clarence, I feel, you know—

Mr. Chairman: It is an amazing coincidence—

Ms. Lutchmedial:—controlling the communications—

Mr. Chairman: It is so very difficult to catch me offside but anyway, I apologize for that. Some of—as you know, our members from the House would have to leave, so I want to give you the opportunity to provide your closing statements. I also want to say to you that the Committee continues its work so you can make any further submission you wish to in writing. We would appreciate that. And I want to invite you to make your closing statements. I want to thank you for a very active participation and for being frank and open in your views and very respectful also.

I want to start with Mr. Preston Sam. He is very vocal on Facebook in terms of his analysis and representation of the Sangre Grande Chamber but I have not heard a lot from him today. So I am going give him to bring in the views from the east and then we would take the closing comments from the other stakeholders. Thank you very much.

Mr. Sam: Thank you very much, Mr. Rambharat, and I will continue to share my views on Facebook and I am happy to know that you are actually listening and reading these views.

I had my hand up a little while because I am just concerned and I just want to add to my closing statements, pandemic day leave. There is not much information about pandemic day leave to the business association or the business members. And, you know, a recent complaint from one of our members is that persons are actually taking advantage of the fact that they are getting symptoms and going to the hospital, taking a swab and taking—getting—waiting 14 days to get a result and, of course, you know, they definitely cannot come back to the workplace within that time until they get their results. So I am hoping that the Ministry of Health can actually look at the time for getting the results back to the employee because it is very unfortunate and it is another cost factor for the employer to be handling, you know, paying a salary or even, you know—the fact is that we do not even understand what is the pandemic leave. The information is not very available. It is not readily available to the employers and it poses a serious problem. So I hope that something could come out of this and we can actually start to get more information on pandemic leave and how it applies, especially to the small and microbusinesses.

And in closing, I just want to say again thank you from the Sangre Grande Chamber for having us here today and we look forward to a positive response and I want to thank all of you all for your comments and your responses. Thank you to the Committee and you all have a nice day.

Mr. Chairman: Thank you very much, Chairman Sam. That was a very good observation. You know, even as Ministers and in Ministries, we face it, especially with—initially, you know, it was based on the tracer list, so anybody on the tracer list goes into quarantine. And then, as the numbers grew, not everybody would have gotten an order from the CMO but out of precaution they were off and then some people were actually vying to get on people's tracer list so—and then around the world, you saw first in the US, the CDC reduced the time to five days, very controversial. And I appreciate that particular contribution because especially in small and medium and micro businesses too, it really creates a problem if you are dependent on two workers and both are off, so I really appreciate that valid contribution. So I turn to the other stakeholders, Ms. Hadad, followed by Mr. Ramkissoon.

Ms. Hadad: Thank you, Minister. The Chairman at the time had asked a question about the rate of infection for COVID-19. Our concerns, as the business community, was in terms of safety of staff at physical locations and the depressed

sales but none of us got an opportunity to comment on that. So if you would allow me, I would like to say something there before I close.

Mr. Chairman: Yes, sure. Thank you.

Ms. Hadad: Okay. So on the—just to put the leave, I want to say that like everything else, we get smart and people do abuse anything in this country that they can do. So the leave issue, we need to lock down what is the leave because also, these businesses cannot afford the financial aspects of paying for those people while off on leave. That is just a no-no in terms of finance.

The rate of infection and our concerns. You had persons who took different approaches. If you, the business owner, was in that fear mode yourself, then clearly that is what you would have passed on to your staff and family members and that would have been what the energy would have been around your entire environment.

So just to say, in my case—and I am throwing them out of the box here again—there was none of that around my environment. I called meetings every morning with my staff. I gave them booster talks. We went through this in terms of a spiritual level, the physical level and the material in terms of information and that they must now channel it at a different level, spiritually, to come through this. And we held those sessions every morning, we said prayers, we did things like that in order—because we are in the food environment, so we were considered to be out there all the time. And then you will know any Tobago sphere, we have to go back to work in the night. So we actually had passes and had to be on the roads in the night to receive goods from the Port Authority. So we were working day and night. It was normal for us.

And having said that, I am into vibrational medicines, and I did get and was paying for and treating my staff and we really had for 19 months no problems.

However, when they started to go and take the vaccines, I started to have a problem with people falling ill and getting different side effects and so, and that started to cause another position of fear because they were not worried about the effects on their health and I am saying that because this is real, this is not a story. And whether they were going out to the business community, in terms of servicing them, it all came down to we are not giving up, we are not fighting COVID, that word in itself is creating another nightmare. We are not fighting COVID. We are going along because we have a duty to serve the people of the country because food is a necessity at this time, of course, like always, and we are an essential part of delivering to mankind.

And I took that approach and I have to tell you, I have had a robust output from my staff. I do not think it was ever better before. I wish we could keep that mood and that worked for me in my environment. So the depressed sales, it did not help sales, we did have very depressed sales. It is terrible and therefore, the carrying of that cost is phenomenal and cannot be sustained. So I will tell you, decisions were taken that it would be no loan payments or no tax payments, but do not send anybody home. I needed to carry my role and responsibility as a business owner because I felt I was the head of the—the matriarch of that business and the matriarch of those people in front of me. And therefore, those persons I felt I was responsible for and could not put them through any more distress by taking away their little income from them, whatever that might have meant to them on a daily basis. So I just want to put that out there.

And the other thing is, I would like to say that the Chamber wishes to thank you all for having recognized us and having us as a part of this. And Minister, I am so happy it is you I am now interacted with as the Acting Chairman. I would have put it up for you. I do give true and balanced contributions in anything I participate in and because I think without that—now sometimes, from a political standpoint, we take it personally. But if we were to take the information in the right light, I do not think it would be considered negative. Thank you all very much, both you and the Opposition in their contributions because I think this really is about the people of our nation. Thank you, Sir.

Mr. Chairman: Thank you very much and I am pleased to say that our Chairman has returned so, Madam Chair.

[MRS. THOMPSON-AHYE *in the Chair*]

Madam Chairman: Thank you, Mr. Rambharat. And I would like to endorse the fact that you had nothing to do with what happened just now.

Mr. Rambharat: Absolutely not but I—

Madam Chairman: Absolutely nothing. You are completely innocent.

Mr. Rambharat: It might have been the vibrational medicine that Ms. Hadad brought with her. [*Laughter*]

Ms. Hadad: It is called divine order, Minister. Divine order took place there. Thank you.

Madam Chairman: I do believe we are at the stage of closing remarks from the officials. So now can we have from Trinidad and Tobago Coalition of Services Industry? And we want it short and sweet. So who is taking—Mr. Edghill is it?

Mr. Edghill: Thank you, Chair. And thank you for the humour as well, it is very much appreciated under the circumstances. I just want to say on behalf of the TTCSI that we do appreciate being included in these discussions. We want to thank the Government for their initiative in doing so. Thank the Government and the Ministries involved in helping us through this pandemic situation. Although we all may see different versions of how or what is being done is impacting us and in a favourable or negative way, we do appreciate the effort being made, we do want our voices to be heard and our recommendations to be given serious consideration. We have several sectors that are still not allowed to operate under the services sector like the tour operators and some of the other tourist-based organizations and entertainment, and so we need to have those things looked at. So again, thank you very much. Keeping it short and sweet. I have put comments in the group chat as well for your consideration to make it easy. So we look forward to further collaboration. Thank you so much and have a good day and everybody stay safe.

Madam Chairman: Thank you. Arima Business Association.

Mr. Ramkissoon: Thank you, Madam Chair. I would thank you all for giving the Arima Business Association the opportunity to be part of this. We are glad to be—to voice the concerns of our members and the people of Arima. I would like to express some sentiments that Ms. Hadad expressed regarding small and microbusinesses and the fact that a lot of the staff tends to be long-serving staff and I would really like to thank all businesses that were able to keep as much staff on board and to keep them engaged. And however you managed to keep them afloat financially, we, the business community, appreciates that.

A quick suggestion to the Government to help, you know, each of the areas across the country get back on their feet would be some diversification. You know, Arima would gladly appreciate some government buildings in Arima. Send down the Ministry of Sport and Community Development and the Ministry of Agriculture, Land and Fisheries—[*Technical difficulties*]*—*food from your restaurants, and so on. So I will also send any other suggestions I have in the group via the chat and I thank you all for giving us this opportunity. Have a good day everyone. Stay safe.

Madam Chairman: San Juan Business Association.

Mr. Roach: Thank you, Madam Chair. We would like to thank you and your Committee for the invitation to participate. We did hear a lot of contributions and we hope that the feedback that has been given is taken into consideration and really becomes fruitful. Right? We would like to encourage the Parliament and the Government to continue engaging business associations in providing information and resources to our membership, as well as bringing feedback to them to represent our membership properly. So thank you and we look forward to further engagements.

Madam Chairman: That was short and sweet. Tobago Hotel and Tourism Association.

Mr. Sorias: Thank you, Madam Chair. My comments, pre-COVID, we had 10 dive shops in Tobago and we are now down to two dive shops. We had approximately 111 restaurants, we are down to 68 at restaurants. And one of the things they asked me, to make representations for them, is with the SME loan. There is one criteria they are having problems with. That is the—you cannot be 120 days in arrears of your existing loans. But I believe if your business is closed, you would go into 120 in arrears of your loan. So I hope the Government looks at this and comes up with some plans to help these business owners so they can access the SME loans. Thank you.

Madam Chairman: Thank you. Mr. Sam—Sangre Grande Chamber of Commerce, Sam or Lawrence.

Ms. Lawrence: Thank you, Madam Chair. In closing, I would like to thank the Government and the JSC for inviting the Sangre Grande Chamber of Commerce to this meeting. And to echo the sentiments of the business community and the business community leaders, since the ending of the SOE, the business community has seen some relief in sales and cash flow. However, these sales and cash flow

levels are not as the pre-SOE levels. We are also experiencing some difficulties with the operating costs due to supply chain inefficiencies which are rippling through the supply chain and amplifying cost through the intermediaries. So we hope that the Government will also be looking at supply chain issues. And once again, we would just like to thank everyone, the Chair and the members, for allowing us to express our views. Thank you.

Madam Chairman: Thank you very much. I just want to announce though that the Committee's Second Report on an Inquiry into the Status of Un-proclaimed Legislation was recently presented in Parliament and is now available for review on the Parliament's website, www.tparliament.org. So when we are finished with our deliberations here and we prepare the report, we normally lay it in Parliament, so you must also look out for when this report will be made available.

I should like to thank the officials, all of you, for your contributions to today's proceedings. They were well thought out, they were heartfelt and they are, you know—will be proving very useful to us, you know, as we move forward. So we thank you for coming today and for participating. Really, really, we appreciate you.

Committee members who participated remotely in this virtual hearing, we thank you very much. Even one who thought that, you know—one who thought he got a “boof”, I really—I thank you as well, all of the members of my committee for your input today and, of course, the work is not finished, so we will continue to work together.

The staff of the Office of the Parliament for your procedural and logistical support, thank you so very much. Last night, late, I had up one of the members doing—dealing with an issue. This morning, early, I was with them again and they are always there to assist, the logistical support, preparing for the meeting and the

work continues long after we have finished our deliberations here. So I cannot thank them enough for always being there. Your support is tremendous. I appreciate you greatly.

And of course, our viewing and listening audience, thank you for your interest, thank you for being with us and for your input into this meeting. And I want to assure all of you that we take note of not only what is said in the meeting, what is written in the chat and this will inform as we go forward—it will inform us into how we must operate. So it is left for me now, with no other business, to declare the meeting at an end. Thank you so very much and be safe. Continue to be safe.

12.30 p.m.: *Meeting adjourned.*

APPENDIX III
RESULTS OF THE JSFCLA SURVEY INTO THE IMPACT OF
COVID-19 ON THE MSE SECTOR

JOINT SELECT COMMITTEE ON FINANCE AND LEGAL AFFAIRS (JSCFLA)

REPORT ON A SURVEY OF THE MICRO AND SMALL ENTERPRISES (MSES)

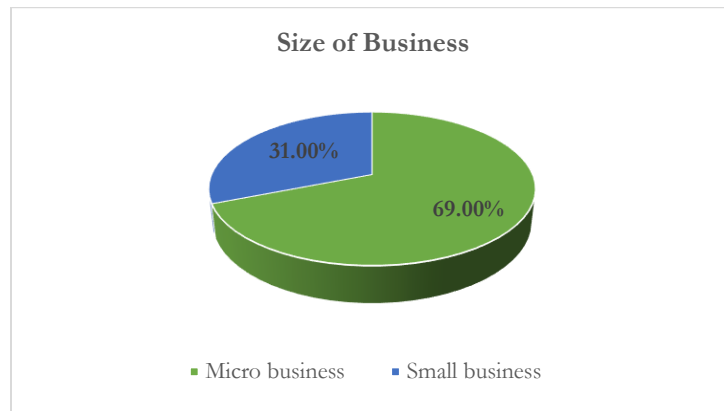
INQUURY INTO THE IMPACT OF COVID-19 ON THE OPERATIONS OF MSES

Survey period: 30 Sep- 15 Oct, 2021

Responses received: 123

The JSCFLA sought to undertake primary research in order to gain a more holistic understanding of the impact of COVID-19 on MSEs. In this way, the Committee administered a survey consisting of open, closed and multi-response questions via online survey platform Survey Monkey in order gain access to data that was *participatory in its creation and which involved the objects of the research engaged in its production and outcomes*⁸. The survey advertised through email, social media and through referrals, consisted of twenty-three (23) questions from which 123 responses were received. The results are reflected as follows:

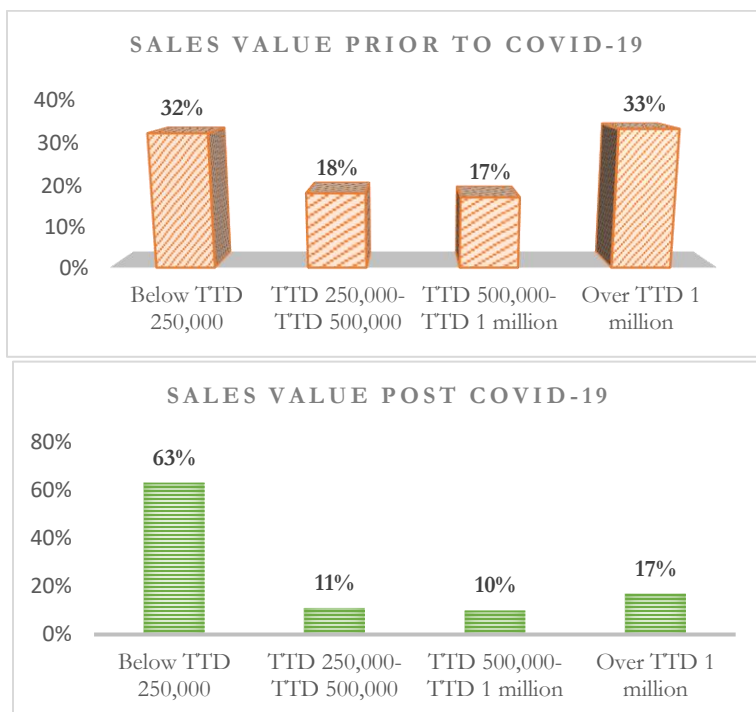
Question 1: Size of Business



Micro businesses represented approximately three quarters of the 123 survey respondents.

Questions 2 and 3: Sales values pre and post COVID-19

⁸ McTaggart, R. (1997). *Participatory Action Research in International Contexts and Consequences*. State University of New York Press.



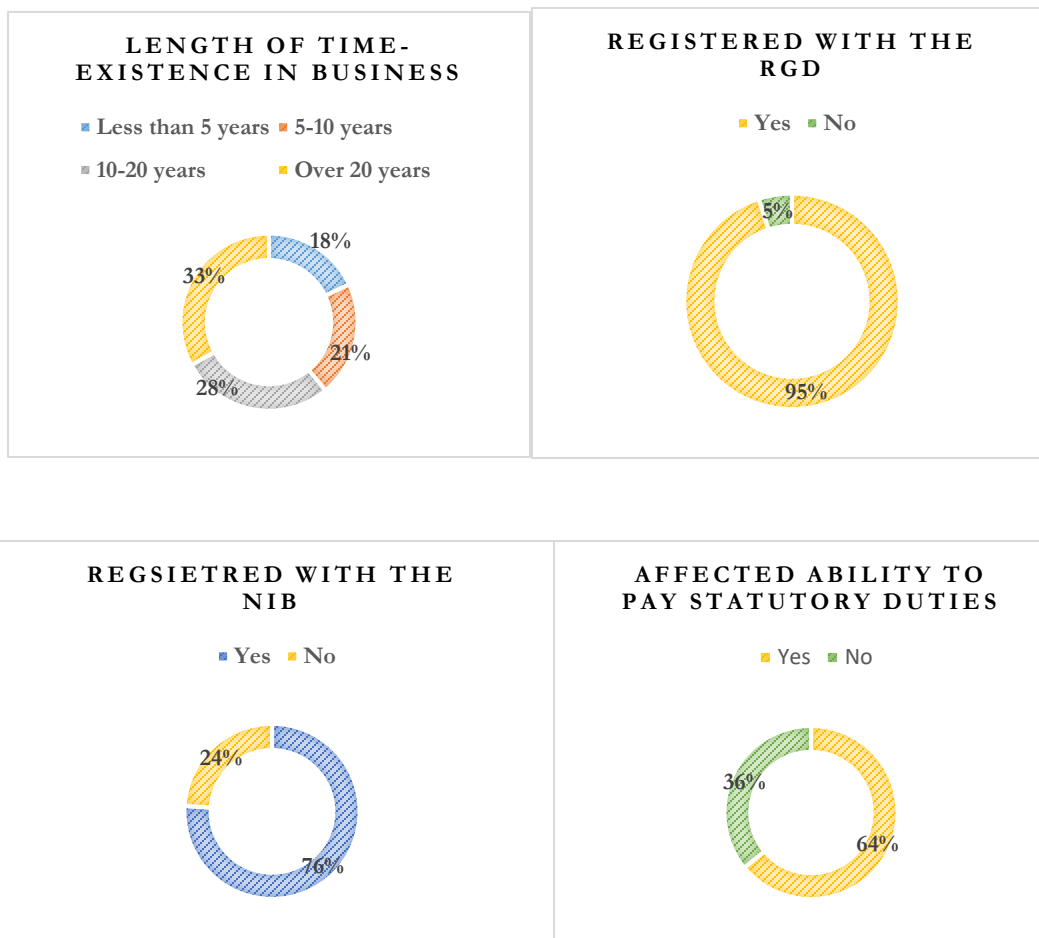
Whereas pre COVID-19 sales was estimated at below TTD 250,000 for 32% of businesses and over TTD 1 million for 33% of businesses. Post-COVID-19 sales resulted in an approximate **doubling** in the percentage of businesses reporting sales of below TTD 250,000 whilst the percentage of businesses reporting over TTD 1 million **declined by roughly half**. The percentage of businesses reporting sales of between TTD 250,000-500,000 and TTD 500,000 to TTD 1 million also declined by 41% and 40% respectively.

Question 4: Business Category

A total of 20 different business categories were itemised in the survey, the minority, represented businesses not listed in the table, accounted for 33% of respondents whilst the six most represented are outlined below in ascending order:

Hospitality and Tourism- 27.9%
Food and beverages-10.1%
Construction and engineering- 9.3%
Wholesale and retail trade- 7.6%
Professional, scientific and logistical services- 5.9%
Administrative services- 5.9%

Questions 5-8: Length of existence of business, registration with the Registrar General’s Department and National Insurance Board and the effect of the COVID-19 pandemic on the ability to pay statutory contributions

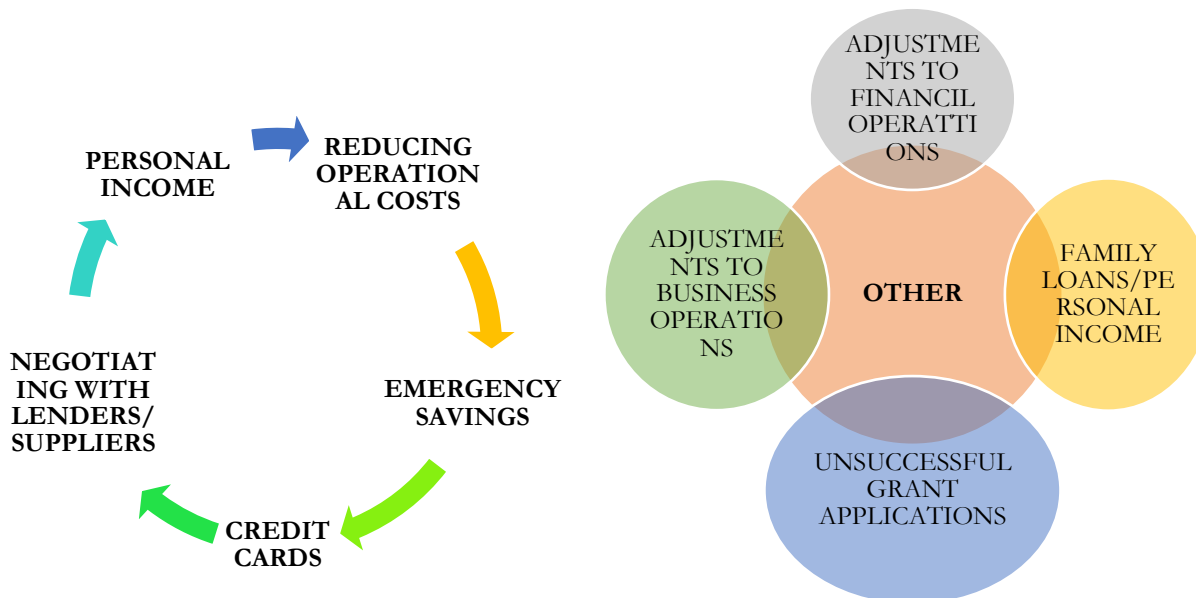


Question 9: Impact of COVID-19 on your business

Based on an examination of the thirteen categories of responses, it was revealed that all respondents experienced some form of **negative influence on business operations as a result of the pandemic (reduction in sales/customers, increased debt and impact on personal income amongst others)**. All other responses could be collated or sub-categorised as an offshoot of this central finding.

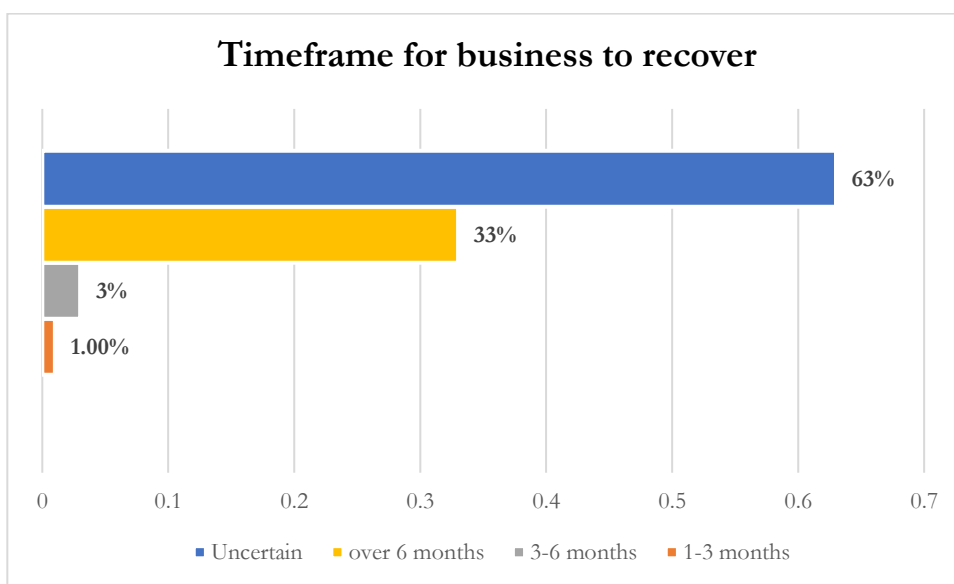
Question 10: Responding to cash flow challenges

The main coping strategies used by respondents are highlighted in the flow chart. The category ‘other’ had considerable overlap with the original selections and these are represented in the diagram.

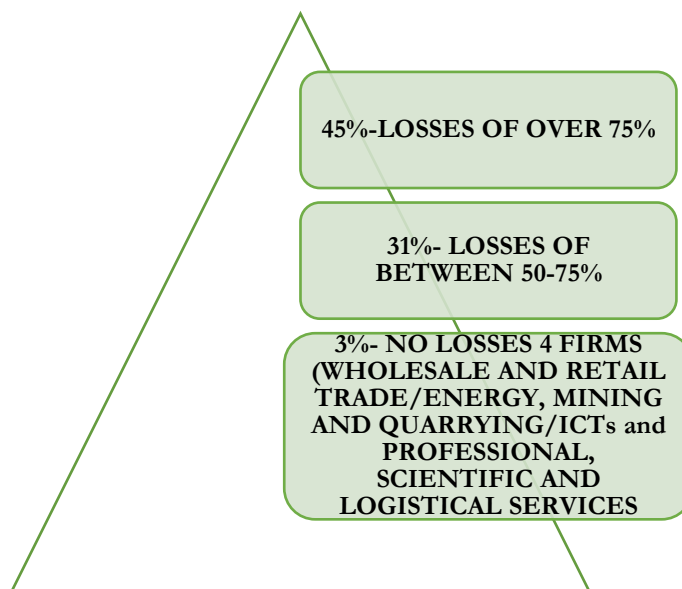


Questions 11 and 12: Ability of business to recover and timeframe for business recovery

In terms of recovery, 68% of businesses or 84 out of 123 respondents indicated that they were not able to recover whilst 28% (or 35 out of 123 respondents) experienced partial recovery. In terms of the projected timeframe for recovery 63% of businesses indicated that they were uncertain about the recovery period whilst 33% envisioned a timeframe of over six months.



Question 13: Percentage of income lost



Questions 14 and 15: Employees laid off

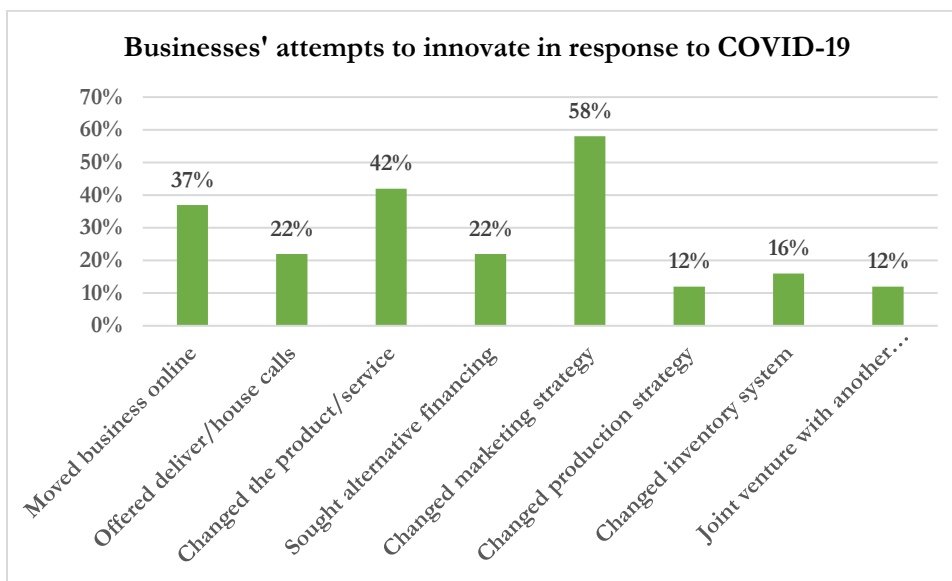
Fifty-five (55%) percent of respondents indicated that they had laid off employees as compared to 45% that did not. The **average number of employees laid off was 6.**

Questions 16 and 17: Employees sent on unpaid leave

Thirty-nine (39%) percent of survey participants indicated that they resorted to employees proceeding on unpaid leave as compared to sixty-one (61%) that did not introduce such measures. **The average number of employees sent on unpaid leave was 4.**

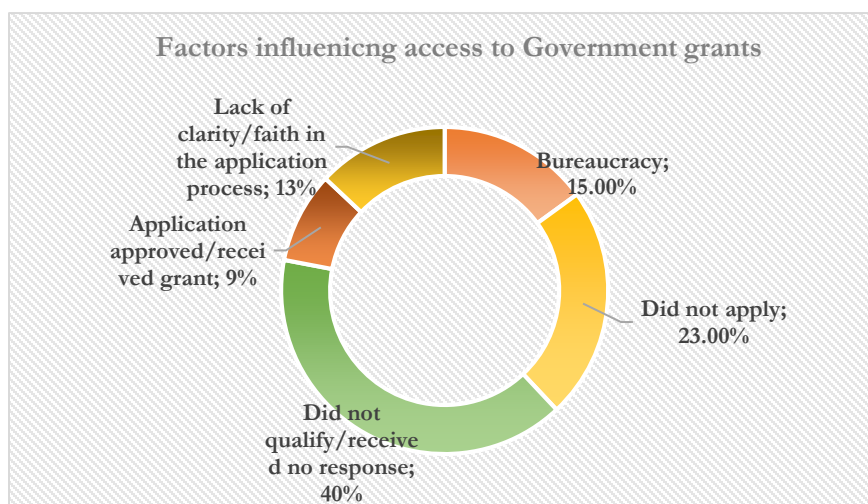
Question 18: Innovating to manage the impact of COVID-19

There were two main avenues via which businesses sought to innovate in response to COVID-19 either through **changing the business model** (moved business online, offered delivery/house calls, sought alternative financing, changed marketing strategy, changed production strategy, changed inventory system, joint venture with another business) or to the **actual product** (changed the product/service) itself. These are outlined in the bar graph.



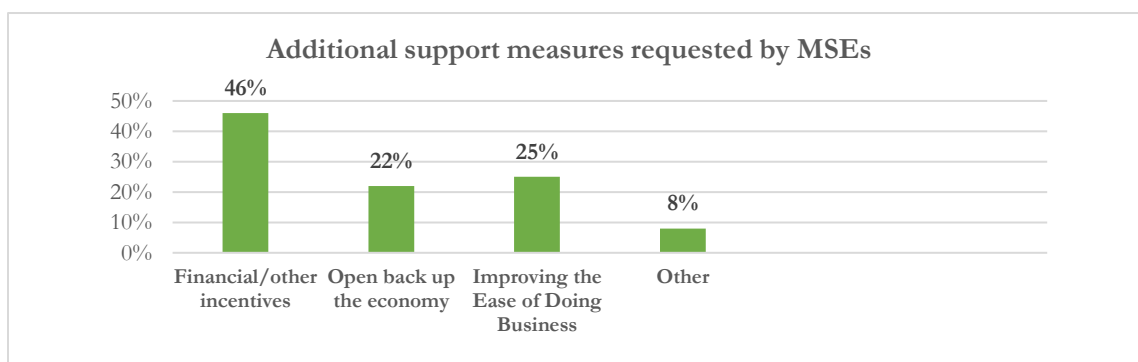
Question 19: Business in receipt of government financial assistance and prevention of access

Seventy-two (72%) or (89 out of 123) survey respondents indicated that they were not in receipt of financial assistance from the Government. The factors that prevented access were categorised thematically using an inductive approach as in Questions 9 and 10. In providing further details of what prevented their access, 9% (5 out of 53) of respondents indicated that they had accessed some form of government assistance. The remaining responses outlined the factors that prevented access. An overview of the responses received are depicted in the pie chart.



Question 20: Additional governmental support- needs of businesses

Fifty-two (52%) of businesses indicated that **all** of the additional support measures listed should be provided to micro and small enterprises during the pandemic, this included business advisory services, business assessment, entrepreneurial training and mentorship. Twenty one percent (21%) indicated that **other services were needed**; these ‘other services’ were coded inductively under the headings outlined in the bar graph.



Questions 21 and 22: Transitioned to e-commerce or online services and associated benefits

Fifty-eight (58%) of businesses surveyed **did not transition to an e-commerce** or online business. For those that did make the transition or 42%, the three **most selected benefits** were reported as follows: reaching a wider customer base 66%, reduction in operational costs 36% and faster transactions 28%. The businesses that did not transition to online platforms were those engaged in the hospitality and tourism, construction and food and beverages sectors.

Question 23: Impact of the SOE

Fifty-seven (57%) of businesses indicated that the state of the emergency resulted in **operational challenges** for their business. The **consequential impacts** outlined in Question 23 were coded inductively to reveal three major themes as follows: constraints on business operations (51% of responses), loss of revenue (27% of responses) and logistical challenges (17%).

Summary of findings

- Businesses faced negative impacts on their operations and profitability as a result of the lockdown measures due to the reduction in sales/customers and/or reduced demand, to exemplify how this impacted on firms- in 2019 33% of firms surveyed was making over TTD 1 million this fell to just 16.5% in 2020;
- Globally, studies have shown that the pandemic impacted new businesses more acutely however the majority of survey respondents were in existence for over 20 years with only 18% of businesses being in existence five years or less;
- Businesses responded primarily by using their personal income, adjusting overhead costs, emergency savings and credit cards. Adjusting overheads also entailed staff cutting exercises and 55% of businesses adopted this measure whilst 39% furloughed employees. However, these measures did not appear to be enough as 68% were unable to fully recover and 63% were uncertain about the timeframe for recovery;
- Transition to online services was undertaken by 42% of businesses others opted to change the marketing strategy or product/service;
- The businesses that did not transition to online platforms were most likely hindered from doing so due to the nature of their business. The businesses which appeared not to have made the transition to online services were predominantly represented by firms in the hospitality and tourism (27%), construction (13%) and food and beverage sectors (11%);
- Seventy-two (72%) percent did not access government assistance largely because (42%) had failed to qualify or had not received a response. It is important to note that some of the requirements for the SME stimulus loan may have been prohibitory to firms' uptake, criteria included⁹:
 - Annual gross revenues between TTD 1 million to TTD 20 million
 - Minimum of 5 employees

⁹ Scotiabank Trinidad and Tobago. Frequently asked questions about the SME stimulus loan facility.

- Up to date BIR, VAT and NIB payments
- A VAT registration number
- Up to date audited financial statements to be submitted annually
- Of the types of assistance that businesses were able to obtain, business advisory services was the most accessible.
- The imposition of the SOE also had a doubly negative impact on businesses' profitability during the pandemic period.

Committees Unit

February 03, 2022

APPENDIX IV

SUITE OF PROGRAMMES TO ASSIST MSEs' RECOVERY FROM COVID-19 BY MINISTRY/DEPARTMENT OR AGENCY

Ministry/D epartment	Project	Qualifying Criteria	Other Information	Number of firms to benefit
ExporTT	International Certification Fund (TTD 20 Million)	<ul style="list-style-type: none"> ▪ Firms meeting the following export criteria are eligible for funding: <ul style="list-style-type: none"> - Businesses registered and operating in TT and classified as a small or medium firm in existence for a minimum of one year - must demonstrate 50% of sales as exports or potential to achieve 50% export sales or produce an import substitute - Up to 100% funding for firms exporting USD 1 million and less - 75% for firms exporting between USD 1-2 million - 50% for firms exporting USD 2-4 million - 100% funding for clients seeking to boost import substitution for firms with sales turnover of less than TTD 25 million ▪ Funding to be used for the following purposes: <ul style="list-style-type: none"> - Conduct of standard audits, inspections and/or implementation - Acquisition and operation of specialised equipment required for the adoption of standards - Infrastructural modifications to comply with standards implementation - Reduction of cost certification by up to 50% 	<ul style="list-style-type: none"> ▪ Qualifying criteria: <ul style="list-style-type: none"> -Applicants must meet food/beverage and other product standards and evidenced by certified invoices - Categories of firms- food and drink processing, leather and other crafts, textile, garments, footwear and headwear, chemical products, cleaning items, beauty and personal care products, environmentally friendly packaging, printing, publishing and paper converters, wood furniture and related products 	42
ExporTT	Market Research (TTD 2,000,000.)		Market surveys to be conducted on Guyana,	

			Suriname, Jamaica, Miami, Panama, Colombia and New York	
ExporTT	Virtual Trade Missions (TTD 2,000,000)	<ul style="list-style-type: none"> ▪ Must have export capacity ▪ Must have completed ExporTT's Export Readiness Assessment ▪ Must be export ready ▪ Must be a business registered in TT 	Identified markets for VTMs- Cartagena, Curacao, New York, Chile, Haiti, Dominican Republic, British Virgin Islands, Canada, Florida and Panama	120/600 B2B
ExporTT	Sector Profiles	<ul style="list-style-type: none"> ▪ Marketing content such as videos and sector brochures will be used to develop greater awareness of the manufactured goods produced locally and boost the profile of smaller businesses 	The industries targeted include: food and beverage, printing and packaging, chemicals, construction material, ICT, creative industries, architecture, engineering, cocoa, peppers and health and food sectors	
ExporTT/T TCSI	Gateway to trade platform	<ul style="list-style-type: none"> ▪ Encompasses a nine-month market readiness programme 	Focuses on business and professional services, ICT, energy and MICE Tourism	
ExporTT	Establish Trade Facilitation Offices (TTD3,000,000.)		TFOs to be established in Panama and Dominican Republic	100
ExporTT	Translating and Interpretation Services (TTD 400,000)	<ul style="list-style-type: none"> ▪ Must be a business registered in TT ▪ Must be an exporter for a minimum of 2 years ▪ Must have completed ExporTT's Export Readiness Assessment 	Translators were intended for hire	35

		<ul style="list-style-type: none"> Must be a company in the identified priority sectors and products/services must be of local origin 		
ExporTT	In-Market Promotion (TTD, 1,500,000.)	<ul style="list-style-type: none"> Must have completed ExporTT's Export Readiness Assessment Evidence of an in-market plan developed with buyer Evidence of sale including shipping documents/receipts Registered business in TT Small exporters can access 100% coverage 	Entails shelf stocking fees, shipping of samples and in-store promotions	20
ExporTT	Virtual Expo Platform (TTD 1,500,000.)	<ul style="list-style-type: none"> Must have export capacity Must have completed exporTT's Export Readiness Assessment Must be export ready for intended market Registered business in TT 		All non-energy manufacturing exporters
ExporTT	Sector Profiles (1,500,000.)	<ul style="list-style-type: none"> SMEs from the manufacturing sector 	Promotional material highlighting non-energy sector (food and beverage, printing and packaging, chemicals, construction material, ICT, creative industries, architecture and engineering, cocoa, peppers and health food sector	SMEs from the manufacturing sector
ExporTT	Product Testing (TTD 2,000,000.)	<ul style="list-style-type: none"> Businesses registered and operating in TT and classified as a small or medium firm in existence for a minimum of two years 	To assist companies meet the statutory and legal requirements of target markets	25

		<ul style="list-style-type: none"> ▪ Must provide evidence of current interest from potential buyers ▪ Companies undergoing the modification process based on buyer may apply based on outstanding payments with a ceiling of TTD 80,000 at a ratio of 25/75% 		
ExporTT	Innovation Vouchers (TTD 3,820,000.)	<ul style="list-style-type: none"> ▪ Registered business in Trinidad and Tobago ▪ Exporter or potential exporter and be able to demonstrate the ability to execute and innovation of their export ▪ Must be from the non-energy/energy manufacturing sector and a company in one of the six priority sectors ▪ Must undergo a company assessment and innovation assessment as part of selection 	To make available a new line of credit to foster research and development	20
ExporTT	Tobago Capacity Building (TTD 2,100,000.)	<ul style="list-style-type: none"> ▪ Businesses registered in Trinidad and Tobago operating in Tobago ▪ Completed ExporTT's business development gap analysis ▪ Must be a producer of indigenous delicacies or domestic condiments, beverages and sauces with evidence of low productive capacity ▪ Demonstrate limited e-commerce functionality or online presence 		40 (10 indigenous confectionary producers, 10 for technical support, 10 access to agro-processing facility, 10 access to an e-commerce platform)
ExporTT	Export Accelerator Initiative (TTD 2,200,000.)	<ul style="list-style-type: none"> ▪ Registered businesses in TT ▪ Current small-scale exporter with limited export experience in a maximum of two 	To assist exporters to fast track their progress to export markets	10

		<p>markets or small shipments to a few markets</p> <ul style="list-style-type: none"> ▪ Demonstrate spare production capacity related to new export sales and meet mandatory requirements to enter intended export market 		
ExporTT	Transition to use and manufacture of green packaging materials (TTD 2,500,000.)	<ul style="list-style-type: none"> ▪ TBD 		15
ExporTT	CRM Implementation (TTD 125,000.)	<ul style="list-style-type: none"> ▪ Must be a client of ExporTT 		All non-energy manufacturers/exporters
ExporTT	Website redesign (TTD 400,000.)	<ul style="list-style-type: none"> ▪ N/A 		All non-energy manufacturers/exporters
ExporTT	IT infrastructure upgrade (TTD 1,300,000.)	<ul style="list-style-type: none"> ▪ N/A 		All non-energy manufacturers/exporters
ExporTT	Staff Training and Development (TTD 675,000.)	<ul style="list-style-type: none"> ▪ N/A 		All non-energy manufacturers/exporters
ExporTT	Change Management (TTD 480,000.)	<ul style="list-style-type: none"> ▪ N/A 		All non-energy manufacturers/exporters
ExporTT	External Trade Consultant to build capacity at TTMA (TTD 1,500,000.)	<ul style="list-style-type: none"> ▪ Must be registered business in TT in existence for a minimum of two years ▪ Must demonstrate growing domestic sales and interest in exporting evidenced by a business plan 		60 non-energy/SME manufacturers, exporters
MTI/TTCSI	National Services Exporters Registry	<ul style="list-style-type: none"> ▪ Establishment of a services statistics database to provide disaggregated services data 	Activities under the portal will provide for the creation of a local services cluster portal, inward	

		<ul style="list-style-type: none"> ▪ Development of a Trinidad and Tobago Online Services Exporters' Registry to connect local service providers with potential clients 	and outward trade missions and proactive branding and media engagement	
MTI	Trade and Investment Promotion Agency	<ul style="list-style-type: none"> ▪ To transform and increase the competitiveness and modernize the export and investment promotional landscape 		
ExporTT	Co-Financing Facility	<ul style="list-style-type: none"> ▪ Eligible for the following export related activities: <ul style="list-style-type: none"> - Product and/or company registration in overseas markets - Product testing - Shipping of samples - Translation and Interpretation of export related documents - Trade show participation - Label design modification - First time website development for current/potential exporters 		
Research and Development Facility		<ul style="list-style-type: none"> ▪ Phase 1- Determination of feasibility and commercial potential funding shall not exceed 70% of the total cost of the project up to a maximum of TTD 100,000. Over a 6-month-period ▪ Phase II- Funding for product and service development and shall not exceed 50% of the total cost of the project up to a maximum of TTD 750,000 with a 2 year maximum ▪ Phase III- Commercialisation to 		

		cover approved costs related to launching the product or process in the market place limited to TTD 150,000 (exclusive to Phase II awardees)		
MTI/Unit Trust of Trinidad and Tobago	Scale up TT	<p>This programme will seek to develop:</p> <ul style="list-style-type: none"> ▪ The entrepreneurial mindset ▪ Business experience ▪ Customer base ▪ Improve operational skills to drive economic growth 		

APPENDIX V
QUALIFICATION CRITERIA TO ACCESS GOVERNMENT
SUPPORT MEASURES

Entrepreneurial Relief Grant Qualifying Criteria

Open to nationals and legal residents aged 18 and over without current or pending criminal court procedures
Two forms of ID
Business registration certificate or application to commence registration process
Proof of address and business operations
Virtual site visit to business establishment (waived for NEDCO clients with information on file)
Details of employees

SME Loan Guarantee Programme Qualifying Criteria (Phases I and II)

Phase I- TTD Value 268,875,000	Phase II TTD Value 196 million
Annual revenue TTD 6-20 million or such other condition deemed relevant by the Lender	Shifted downward and income bracket expanded- Annual revenue TTD 500,000-25 million
Minimum of five employees	Same
BIR/VAT/NIB payments/contributions up to date	Conditions relaxed- BIR/VAT payments and NIB Contributions for employees must be up to date till December 31, 2018. Borrower must settle all outstanding statutory obligations for 2019 and 2020 within one year of loan disbursement or make appropriate arrangements with the BIR and other relevant statutory authorities; failing which the loan must be repaid in full within a two (2) year period
Proof of VAT Registration number	Same
One loan per shareholder/businessowner	Same
Re-payment period was set at 5-years, 2-year moratorium on principal payments	Coverage would extend to the purchase of fixed assets (excluding residential property and financial assets) extended the re payment period from 5 to 7 years, 24 - month moratorium on principal payments
Submission of annual audited or management financial statements within 60 days of each financial	

year and submission of semi-annual un-audited financial statements within 60 days of the semi-annual date	
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Credit Union Emergency Income Loan Facility and Business Liquidity Support Programme

Credit Union Emergency Income Loan Facility	Credit Union Business Liquidity Support Programme
Value of disbursement – TTD 100 million Credit Unions would use their own funds to advance the loan and reclaim the amount extended at the end of each month from the Ministry of Finance March- May 2020- TTD 544,817.16 was reimbursed June- December 2020- TTD 126,000.00 (11 loans) remains outstanding to be reimbursed	Value of disbursement- TTD 100 million-
Rationale: To allow credit unions to provide economic relief to citizens experiencing a loss of income or earnings on concessionary terms. It was envisioned that the loan would target approximately 300,000 of the credit union’s membership	Rationale: To enable MSMEs and non-financial cooperatives to rebound from the effects of COVID-19. The initiative included both liquidity support and technical assistance to equip MSMEs to improve their management and financial capacity
Qualifying criteria: <ul style="list-style-type: none"> ▪ National or resident of Trinidad and Tobago (and documentary evidence providing proof) ▪ Earned income from employment or business in Trinidad and Tobago during the thirty (30) days immediately prior to March 15, 2020 (Job letter or payslip if applicable) ▪ Proof showing a loss of income/earnings due to the COVID-19 regulations and restrictions ▪ Proof of address ▪ Completed COVID-19 Credit Union Emergency Loan Application form ▪ Any other information deemed acceptable by the Credit Union 	

APPENDIX VI

DISBURSEMENT OF PHASE I OF THE SME LOAN GUARANTEE FACILITY BY LENDING INSTITUTION

First Citizens Bank	Republic Bank	Royal Bank	Scotia Bank
102 successful Declined loans- Failure to meet statutory requirements- 45.6% Failure to meet credit worthiness criteria- 13.1% Lack of proof of evidence to repay- 41%	335 applied- 130 (39%) successful 205(61%) unsuccessful- lacked financial documentation to meet administrative criteria	52 applied- 33 successful 19 unsuccessful- failure to provide proof of payment of statutory requirement	12 applied 7 successful 5 not successful did not meet qualifying criteria or could not provide proof of statutory payments

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- ⁱ OECD Library. SME entrepreneurship performance in times of COVID-19. Accessed: October 14, 2021. Available: <https://www.oecd-ilibrary.org/sites/6039c015-en/index.html?itemId=/content/component/6039c015-en#biblio-d1e4732>
- ⁱⁱ Ibid
- ⁱⁱⁱ King, M., K. (2021). Supply chain post-COVID-19 economic recovery. Finance. *Trinidad and Tobago Guardian*, page BG22.
- ^{iv} King, M., K. (2021). Supply chain post-COVID-19 economic recovery. Finance. *Trinidad and Tobago Guardian*, page BG22.
- ^v UNCTAD.org. High freight rates cast a shadow over economic recovery. November 18, 2021. Accessed: January 03, 2022. Available: <https://unctad.org/news/high-freight-rates-cast-shadow-over-economic-recovery>
- ^{vi} Albaz, Mansour, Rida and Schubert cited in Thukral, E. (2021). Covid-19 small medium enterprise challenges and responses with creativity, innovation and entrepreneurship. *Strategic Change*, 30 (2), 153-158. doi: 10.1002/jsc.2399.
- ^{vii} Ibid
- ^{viii} Ibid
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- ^{xviii} Ibid.
- ^{xix} Food and Agricultural Organisation. Sources of microfinance for forest-based enterprises. Accessed: March 04, 2022. Available: <https://www.fao.org/3/a0226e/a0226e07.htm>
- ^{xx} Dini, M and Heredia-Zurita, A. (2021). "Analysis of policies to support SMEs in confronting the COVID-19 pandemic in Latin America", Project Documents (LC/TS.2021/29), Economic Commission for Latin America and the Caribbean (ECLAC). Accessed: January 07, 2022. Available: https://repositorio.cepal.org/bitstream/handle/11362/47145/1/S2100103_en.pdf
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- ^{xxiii} Society for Human Resource Management. Managing Organisational Communication. Accessed: March 01, 2022. Available: <https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/managingorganizationalcommunication.aspx>